

SALMONES CAMANCHACA S.A.

Santiago, 24 de enero de 2018

Señor
Carlos Pavez Tolosa
Presidente Comisión para el Mercado Financiero
Presente



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24/01/2018 13:13 Operador: LADIAZ
DIVISION CONTROL FINANCIERO VALORES
Nro. Inscrip: 1150v

REF.: Remite prospecto presentado ante la Financial Supervisory Authority of Norway ("NFSA").

De mi consideración:

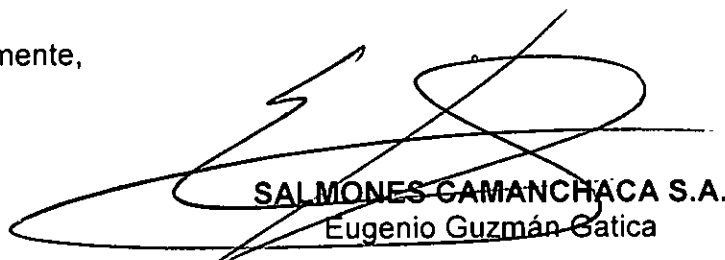
Por medio de la presente remito copia simple del prospecto elaborado por Salmenes Camanchaca S.A. (la "Compañía") para la difusión de la oferta pública de los certificados representativos de sus acciones depositadas en Chile, que se transarán en la Bolsa de Oslo, Noruega.

Entre otras materias, el prospecto informa a los potenciales inversionistas las características de la oferta pública a realizarse en Chile y la forma en que podrán participar de ella, esto es, ingresando una orden a un libro de órdenes abierto en la Bolsa de Oslo, el cual definirá el precio y el volumen de la orden de compra a ser ingresada en la Subasta del Libro de Órdenes a realizarse en la Bolsa de Comercio de Santiago. Las acciones que en definitiva se adjudiquen a quienes participen a través de este mecanismo, serán depositadas en Chile, para luego el banco depositario proceder a la emisión y registro de los correspondientes certificados representativos de las mismas, que se transarán en la Bolsa de Oslo, todo conforme el contrato de Depósito y Registro acompañado con fecha 11 de enero de 2018 a la Comisión para el Mercado Financiero.

El mencionado prospecto fue presentado el día de ayer en su versión definitiva a la NFSA y aprobado el día de hoy por la misma.

Con motivo de la extensión del documento, acompañaremos una traducción del mismo en los próximos días.

Atentamente,


SALMONES CAMANCHACA S.A.
Eugenio Guzmán Gatica





(A publicly held corporation incorporated under the laws of the Republic of Chile)

Initial public offering of Shares with an Indicative price range of NOK 38.5 to NOK 48.0 per Share

Listing of the Shares on the Oslo Stock Exchange

This prospectus (the "Prospectus") has been prepared in connection with the initial public offering (the "Offering" or the "IPO") of shares of Salmenes Camanchaca S.A. ("Salmenes" or the "Company", and together with its Subsidiary, the "Group", and the Group together with the Associated Companies, the "Salmenes Group"), a publicly held corporation incorporated under the laws of the Republic of Chile ("Chile"), and the related listing (the "Listing") of the Company's shares, each without a par value (the "Shares" and each a "Share" as further described below) on Oslo Bors, a stock exchange operated by Oslo Bors ASA (the "Oslo Stock Exchange"). The Offering comprises up to 9,181,992 unsubscribed and unpaid Shares issued by the Company (the "New Shares") and up to 12,598,008 existing shares (the "Sale Shares", and together with the New Shares, the "Offer Shares") offered by the Selling Shareholder (as defined below).

The Offering consists of: (i) a private placement to (a) investors in Norway, (b) investors outside Norway and the United States of America (the "U.S." or the "United States"), subject in each case to applicable exemptions from any prospectus requirements, and (c) "qualified institutional buyers" ("QIBs") in the United States as defined in Rule 144A ("Rule 144A") under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") in transactions exempt from registration requirements under the U.S. Securities Act (the "Institutional Offering") and (ii) a retail offering to the public in Norway (the "Retail Offering"). All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act ("Regulation S"). The Company will receive the net proceeds from the sale of the New Shares. The Selling Shareholder will receive the net proceeds from the sale of the Sale Shares.

The price at which the Offer Shares are expected to be sold (the "Offer Price") will be between NOK 38.5 and NOK 48.0 per Offer Share (the "Indicative Price Range"). The Offer Price may be set within, below or above the Indicative Price Range. The Offer Price will be determined through a bookbuilding process and will be set by the Company in consultation with the Managers. See Section 19.3.1 "Determination of the number of Offer Shares and the Offer Price" for further information on how the Offer Price is set. The Offer Price, and the number of Offer Shares sold in the Offering, is expected to be announced through a stock exchange notice on or about 1 February 2018. The offer period for the Institutional Offering (the "Bookbuilding Period") will commence at 09:00 hours (Central European Time, "CET") on 24 January 2018 and close at 11:00 hours (CET) on 1 February 2018. The application period for the Retail Offering (the "Application Period") will commence at 09:00 hours (CET) on 24 January 2018 and close at 10:30 hours (CET) on 1 February 2018. The Bookbuilding Period and the Application Period may, at the Company's and the Selling Shareholder's sole discretion and for any reason, be shortened or extended beyond the set times, but will in no event be shortened to expire prior to 09:00 hours (CET) on 31 January 2018 or extended beyond 14:00 hours (CET) on 28 February 2018.

The beneficial interests in the Company's shares will be registered in the Norwegian Central Securities Depository (the "VPS") in book-entry form under the name of a "share" and will be listed and traded on the Oslo Stock Exchange in the form of depository receipts as "shares in Salmenes Camanchaca S.A.". Accordingly, all references to "Shares" or "Offer Shares" in this Prospectus shall in the context of the securities to be listed and traded on the Oslo Stock Exchange refer to the depository receipts for the Company's Shares. All Shares will rank in parity with one another and each carry one vote per Share. Except where the context otherwise requires, references in this Prospectus to the Shares will be deemed to include the Offer Shares.

Investing in the Shares, including the Offer Shares, involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "Risk Factors" beginning on page 17 when considering an investment in the Company.

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to persons who are QIBs in reliance on an exemption from the registration requirements under the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. See Section 20 "Selling and Transfer Restrictions".

Prior to the Offering the Shares have not been publicly traded. The Company will on or about 24 January 2018 apply for the Shares to be admitted for trading and listing on the Oslo Stock Exchange, and completion of the Offering is subject to the approval of the listing application by the board of directors of the Oslo Stock Exchange. The Company expects commencement of trading in the Shares on the Oslo Stock Exchange on or about 2 February 2018 under the ticker code "SALMON". On 21 December 2017, the Company submitted its application for the shares of the Company to be admitted to trading and listing on the Santiago Stock Exchange. The application was approved by the Santiago Stock Exchange on 3 January 2018. The Company currently expects commencement of trading in the shares of the Company on the Santiago Stock Exchange on or about 2 February 2018. On 13 December 2017 the shares of the Company were registered with the Chilean securities and insurance regulator (*Superintendencia de Valores y Seguros* or the "SVS"). In connection with the IPO, shares of the Company will be sold through a book auction on the Santiago Stock Exchange being the Subasta (as defined below), see Section 19.1.2 "Public offer to be carried out in Chile (order book auction)".

The due date for the payment of the Offer Shares is expected to be on or about 6 February 2018 in the Institutional Offering and the due date for payment of the Offer Shares is expected to be on or about 5 February 2018 in the Retail Offering. Delivery of the Offer Shares is expected to take place on or about 6 February 2018 in the Institutional Offering and the Retail Offering through the facilities of the VPS. The Offering may at any point in time be withdrawn, resulting in all applications for Offer Shares being disregarded, any allocations made being deemed not to have been made and any payments made will be returned without any interest or other compensation. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

Global Coordinator and Joint Bookrunner
DNB Markets

Joint Bookrunners
Nordea
Pareto Securities

LarrainVial

The date of this Prospectus is 24 January 2018

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the Offering of the Offer Shares and the Listing of the Shares on the Oslo Stock Exchange.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "Norwegian Securities Trading Act") and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses, as amended, and as implemented in Norway (the "EU Prospectus Directive"). This Prospectus has been prepared solely in the English language. The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "Norwegian FSA") has reviewed and approved this Prospectus in accordance with Sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Prospectus. The approval by the Norwegian FSA is dated 24 January 2018 and only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Prospectus.

For definitions of certain other terms used throughout this Prospectus, see Section 22 "Definitions and Glossary".

The Company has engaged DNB Markets, a part of DNB Bank ASA, ("DNB Markets") as "Global Coordinator" and DNB Markets, together with Pareto Securities AS ("Pareto Securities"), Nordea Bank AB (publ), filial i Norge ("Nordea") and Larrain Vial S.A. Corredora de Bolsa ("LarrainVial") have been engaged as "Joint Bookrunners", hereinafter also referred to as the "Managers".

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors of the Offer Shares between the time of approval of this Prospectus by the Norwegian FSA and the listing of the Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or the Selling Shareholder (as defined below) or in connection with the Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company, the Selling Shareholder or the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 20 "Selling and Transfer Restrictions".

This Prospectus and the terms and conditions of the Offering as set out herein and any sale and purchase of Offer Shares hereunder shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Offering, including the merits and risks involved. None of the Company, the Selling Shareholder or the Managers, or any of their respective representatives or advisors, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General Information".

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares. The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in reliance on Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See Section 20.2.1 "United States".

Any Offer Shares offered or sold in the United States will be subject to certain transfer restrictions and each purchaser will be deemed to have made acknowledgements, representations and agreements, as set forth under Section 20.2.1 "United States".

Accordingly, the Offer Shares are being offered and sold: (i) in the United States only to QIBs in reliance upon Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. For certain restrictions on the sale and transfer of the Offer Shares, see Section 20 "Selling and Transfer Restrictions". Nordea Bank AB (publ), filial i Norge is not a SEC registered broker/dealer and will only participate in the Offering outside the U.S.

The Offer Shares have not been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the Offer Shares. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire the Offer Shares.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "UK") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

Each of the Managers has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the UK.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "EEA") that has implemented the EU Prospectus Directive, other than Norway (each, a "Relevant Member State"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Directive. The Prospectus has been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the offering contemplated in this Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Directive for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

- a) it is a qualified investor as defined in the EU Prospectus Directive or covered by another exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of shares; and
- b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) such Offer Shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any of the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State, and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

See Section 20 "Selling and Transfer Restrictions" for certain other notices to investors.

NOTICE TO INVESTORS IN CHILE

The Shares may not be publicly offered or sold, directly or indirectly, in Chile or to any resident of Chile. The Shares will not be registered under Law No. 18,045, as amended (the securities market law of Chile) in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the SVS. As unregistered securities, the Company is not required to disclose public information about the Shares in Chile. Accordingly, the Shares cannot and will not be publicly offered or sold to persons in Chile except in circumstances which have not resulted and will not result in a public offering under Chilean law or in compliance with General Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, issued by the SVS ("Rule 336"). Pursuant to Rule 336, the Shares may be privately offered in Chile to certain "qualified investors", identified as such therein (which in turn are further described in General Rule (*Norma de Carácter General*) No. 216, dated June 12, 2008, of the SVS).

NOTICE TO INVESTORS IN CANADA

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus

(including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (MiFID II); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the MiFID II Product Governance Requirements), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "Positive Target Market"); and (ii) eligible for distribution through all distribution channels as are permitted

by MIFID II (the "Appropriate Channels for Distribution"). Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "Negative Target Market", and, together with the Positive Target Market, the "Target Market Assessment").

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MIFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a publicly held corporation under the laws of Chile. As a result, the rights of holders of the Company's Shares will be governed by Chilean law and the Company's bylaws (the "Bylaws"). The rights of shareholders under Chilean law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "Directors" and the "Board of Directors", respectively) and the members of the Company's senior management (the "Management") are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its Directors and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Uncertainty exists as to whether courts in Chile will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Directors or members of Management under the securities laws of those jurisdictions or entertain actions in Chile against the Company or its Directors or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Chile. The United States and Chile do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

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1 SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A- E (A.1 - E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and the Company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A - Introduction and Warnings

A.1	Warning	This summary should be read as introduction to the Prospectus; any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor; where a claim relating to the Information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Warning	Not applicable. No consent is granted by the Company for the use of this Prospectus for the subsequent resale or final placement of the Shares.

Section B - Issuer

B.1	Legal and commercial name	Salmones Camanchaca S.A.
B.2	Domicile and legal form, legislation and country of incorporation	The Company is a publicly held corporation organised and existing under the laws of Chile pursuant to the Chilean Corporations Act. The Company was incorporated on 26 June 2009, and has tax ID number 76065596-1.
B.3	Current operations, principal activities and markets	Salmones is an Atlantic salmon farming company with a fully integrated value chain starting with the Group's proprietary genetic program using eggs from the Group's own breeding facilities and ending with the delivery of products to the Group's customer base, including delivery to large distributors in the United States, Brazil, Russia, Japan, Mexico and China, through its marketing and sales' channels. Salmones also farms and harvest trout. The Group's production operations are entirely conducted in Chile, in the pristine glacial waters of the fjords and channels of the Los Lagos and Aysén regions in the Chilean Patagonia. The Group's production operations are conducted at the Group's own hatcheries, grow-out sites (both fresh water and sea water) and processing plants. As a fully integrated producer of Atlantic salmon, the Group's activities include farming, harvesting, processing, marketing and sales of its products. The Group's value and production chain is made up of the following production cycles: (i) freshwater production which involves genetic enhancement, reproduction and spawning, incubation, fry and smoltification; (ii) sea grow-out production; (iii) processing cycle which involves primary and secondary processing; and (iv) distribution and sale. A part of Salmones' operations includes farming and harvest of trout through the Group's profit-based interest in the Caleta Bay JV (as defined below), which farms and harvests trout at six farming sites in the Los Lagos region. <i>Main categories of products sold</i>

		The Group offers both frozen and fresh high-value-added Atlantic salmon products, both domestically and internationally. Sales of the Group's products are made through the following brands: • Camanchaca Gourmet; • Pier 33 Gourmet; and • New World Currents. The Camanchaca Gourmet brand is the Group's largest. Approximately 94% of the Group's products were sold through this brand in 2016, while the remaining 3.1% and 2.9% were sold through Pier 33 Gourmet and New World Currents, respectively. <i>Principle markets in which the Group competes</i> The Group is an important market player in the Chilean salmon farming industry, as well as a well-known producer and distributor in the global salmon farming industry. The Group has sales' operations and commercial representation offices in North America, Asia, Europe and South America. In 2016, the Group was the fifth largest exporter of Chilean Atlantic salmon, exporting 26,500 tonnes WFE of finished products worldwide. Salmones is a direct and indirect wholly owned subsidiary of Compañía Pesquera Camanchaca (as defined below) and part of the Camanchaca Group (as defined below). The Company is positioned as an international supplier of marine products through distribution agreements with the Camanchaca Group, enabling the Company to utilise the Camanchaca Group's international marketing and sales channels. In 2016, the following markets were the Group's main export markets (based on revenues): • The United States (41%); • Russia (16%); • Brazil (10%); • Japan (7%); • Mexico (6%); and • China (4%). The remaining 16% of the Group's revenues comes from other export markets, such as Argentina, Denmark and Germany. The Group's Caleta Bay JV (as defined below) operates under the Caleta Bay flag and exports trout to countries in Asia, Europe, North America and South America. The Group focuses its business on (i) encouraging innovative ideas and (ii) integration of sustainability in all aspects of its operations, which are believed to contribute to future growth both domestically and internationally. These two focus areas are reflected in the Group's organisational structure and constitutes core pillars of the Group's long-term strategy. The Company is headquartered in Santiago, Chile. As at 30 September 2017, the Group had approximately 1,347 people were employed with the Group. The Group's employees are mainly positioned at the Group's offices, plants, farming sites and sales' points throughout Chile.
B.4a	Significant recent trends	In September 2017, the Camanchaca Group completed a Reorganisation (as defined below) in order to unite its salmon farming operations under one structure. As part of the Reorganisation, the Company acquired 99.99% of the shares in its Subsidiary (Fiordo Blanco S.A.) and a 33.33% ownership interests in one of the Associated Companies (Surproceso S.A.). In addition, the Company was converted into a Chilean publicly held corporation and registered with the SVS. In September 2017, the Company entered into new financing facilities for a complete refinancing of its long term interest bearing debt (the Refinancing), which was settled in December 2017.

		Other than the Reorganisation and the Refinancing, there have been no material or significant changes in the financial or trading position of the Group since 30 September 2017.	
B.5	Description of the Group	The Company is the parent company of the Group and is an operating entity. The Group's operations are carried out by the Company together with its Subsidiary and Associated Companies (both as defined below).	
B.6	Interests in the Company and voting rights	Shareholders owning 5% or more of the Shares will, following the Listing, have an interest in the Company's share capital, which is notifiable under the Norwegian Securities Trading Act. As of the date of this Prospectus, the Company has two shareholders. There are no differences in voting rights between the Shares. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company. As of the date of this Prospectus, the Company has two shareholders, which are listed in the table below. Following Listing, the Selling Shareholder will be the Company's majority shareholder.	
#	Shareholder Name	No. of Shares	Percentage
1	Compañía Pesquera Camanchaca S.A.....	56,817,904	86.0877%
2	Inmobiliaria Camanchaca S.A.....	104	0.0002%
B.7	Selected historical key financial information	The following selected financial information has been extracted from the Company's financial statements as of and for the years ended 31 December 2016, 2015 and 2014 (the Financial Statements) and the Company's unaudited interim financial information as at and for the three and nine month periods ended 30 September 2017 (with comparable figures for the same period of 2016) (the Interim Financial Information). The Financial Statements have been prepared in accordance with IFRS as adopted by the CCCH. The Interim Financial Information has been prepared in accordance with IAS 34 based on accounting policies consistent with those applied in the preparation of the Financial Statements. The selected financial information included in the Prospectus should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements and the Interim Historical Information included in this Prospectus as Appendix B and Appendix C, respectively. Other than the Reorganisation and the Refinancing, there have been no material or significant changes in the financial or trading position of the Group since 30 September 2017.	

Statement of comprehensive income (profit and loss)							
<i>In USD thousand</i>	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017	2016	2017	2016	2016	2015	2014
	<i>IAS 34</i>	<i>IAS 34</i>	<i>IAS 34</i>	<i>IAS 34</i>	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Net income by function							
Revenue	36,690	55,166	124,820	160,189	225,546	200,788	237,950
Cost of sales	(25,777)	(40,745)	(84,826)	(147,127)	(187,197)	(191,113)	(203,115)
Gross margin before fair value	10,913	14,421	39,994	13,062	40,349	9,675	34,835
Gain (loss) on fair value of biological assets	25,409	29,588	39,953	50,204	63,623	(20,745)	(2,047)
Fair value adjustment to biological assets harvested and sold	(6,809)	(14,903)	(31,953)	(14,575)	(38,694)	14,511	(8,391)
Gross margin	29,513	29,106	47,994	48,691	65,278	3,441	24,397
Administrative expenses	(2,681)	(2,308)	(8,313)	(6,671)	(9,207)	(8,849)	(9,692)
Distribution costs	(918)	(1,367)	(3,083)	(5,272)	(6,737)	(8,987)	(6,117)
Finance costs	(894)	(879)	(2,750)	(2,658)	(3,596)	(3,735)	(3,402)
Share of net income (losses) of equity method associates and joint venture	67	64	146	118	127	397	141
Exchange differences	237	(36)	(120)	(768)	(409)	(250)	(324)
Other gains (losses)	793	6	597	(5,909)	(10,054)	3,393	(35)
Finance income	0	18	36	42	73	203	54
Net income before tax	26,117	24,604	34,507	27,573	35,475	(14,387)	5,085
Income tax (expense) income	(5,104)	(6,750)	(7,640)	(6,895)	(8,309)	3,295	(1,162)
Net income from continuing operations	21,013	17,854	26,867	20,678	27,166	(11,092)	3,923
Net income from discontinued operations	-	-	-	-	-	-	-
Net income (loss) for the year	21,013	17,854	26,867	20,678	27,166	(11,092)	3,923
Earnings per share	-	-	-	-	-	-	-
Basic earnings per share:							
Basic earnings per share from continuing operations (US\$/share)	38.500	86.600	49.200	100.300	131.835	(53.829)	19.038
Basic earnings per share from discontinued operations (US\$/share)	-	-	-	-	-	-	-
Basic earnings per share (US\$/share)	38.500	86.600	49.200	100.300	131.835	(53.829)	19.038
Diluted earnings							
Diluted earnings per share from continuing operations (US\$/share)	-	-	-	-	-	-	-
Diluted earnings per share from discontinued operations (US\$/share)	-	-	-	-	-	-	-
Diluted earnings per share (US\$/share)	-	-	-	-	-	-	-

Comprehensive income							
Net Income (loss) for the year	-	-	-	-	27,166	(11,092)	3,923
Other comprehensive income	-	-	-	-	-	-	-
Gain (loss) from currency conversion	-	-	-	-	20	(31)	(5)
Total other comprehensive income (loss)	-	-	-	-	20	(31)	(5)
Total comprehensive income (loss)	-	-	-	-	27,186	(11,123)	3,918
Statement of financial position							
	As at 30 September		As at 31 December				
<i>In USD thousand</i>	2017 IAS 34 (unaudited)	2016 IAS 34 (unaudited)	2016 IFRS (audited)	2015 IFRS (audited)	2014 IFRS (audited)		
Assets							
Current assets							
Cash and cash equivalents	1,416	8,335	1,642	1,774	3,497		
Other financial assets, current	30	7	2	11	28		
Other non-financial assets, current	1,065	715	4,868	3,111	3,490		
Trade and other receivables	13,322	21,322	27,684	19,891	22,894		
Related party receivables	16,060	17,475	15,547	15,563	18,226		
Inventories	25,594	27,749	23,344	37,363	31,670		
Biological assets, current	102,088	59,976	60,977	79,683	67,653		
Tax assets, current	1,398	1,758	1,857	1,650	1,861		
Total current assets	160,973	137,337	135,921	159,046	149,319		
Non-current assets							
Other financial assets, non-current	27	27	27	27	27		
Other non-financial assets, non-current	112	112	112	112	112		
Tax assets, non-current	5,464	3,995	3,995	3,995	3,995		
Equity method investments	5,025	432	412	265	1		
Intangible assets other than goodwill	7,083	4,216	4,216	4,216	4,216		
Property, plant and equipment	71,029	69,196	69,005	69,759	69,238		
Biological assets, non-current	27,578	22,620	17,199	13,759	21,659		
Deferred tax assets	-	-	-	4,369	1,064		
Total non-current assets	116,318	100,598	94,966	96,502	100,312		
Total assets	277,291	237,935	230,887	255,548	249,631		
Liabilities and equity							
Current liabilities							
Other financial liabilities, current	11,425	11,284	10,554	10,815	9,461		
Trade and other payables, current	39,936	35,310	28,821	47,742	40,783		
Related party payables, current	3,020	32,877	32,812	34,727	31,283		

Tax liabilities, current	34	6	9	10	26		
Total current liabilities	54,415	79,477	72,196	93,294	81,553		
Non-current liabilities							
Other financial liabilities, non-current	94,825	105,053	99,917	110,145	120,373		
Payables, non-current	97	148	128	-	262		
Related party payables, non-current	9,733	38,809	36,372	60,924	45,012		
Other provisions, non-current	-	-	-	-	101		
Deferred tax liabilities	11,040	2,504	3,892	-	-		
Employee benefit provisions, non-current	148	157	136	125	147		
Total non-current liabilities	115,843	146,671	140,445	171,194	165,895		
Total liabilities	170,258	226,148	212,641	264,488	247,448		
Net equity							
Share capital	73,422	34,843	34,843	34,843	34,843		
Retained earnings (accumulated losses)	10,195	(23,160)	(16,672)	(43,838)	(32,746)		
Other reserves	23,416	104	75	55	86		
Total net equity	107,033	11,787	18,246	(8,940)	2,183s		
Total liabilities and equity	277,291	237,935	230,887	255,548	249,631		
Financial statement of cash flow							
	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
<i>In USD thousand</i>	2017 IAS 34 (unaudited)	2016 IAS 34 (unaudited)	2017 IAS 34 (unaudited)	2016 IAS 34 (unaudited)	2016 IFRS (audited)	2015 IFRS (audited)	2014 IFRS (audited)
Cash flow provided by (used in) operating activities							
Receipts							
Receipt from the sale of goods & provision of services	51,459	64,945	164,261	172,663	236,736	252,006	266,443
Payments							
Payments to suppliers for goods and services	(54,245)	(49,787)	(126,128)	(114,492)	(168,423)	(218,253)	(221,594)
Payments to and on behalf of employees	(5,039)	(4,919)	(15,745)	(15,551)	(20,368)	(22,210)	(23,258)
Interest paid	-	(18)	(1,773)	(1,741)	(3,367)	(3,641)	(3,325)
Interest received	1	18	37	42	73	203	54
Income taxes received (paid)	88	-	79	(47)	(47)	(26)	(26)
Other cash receipts (payments)	(47)	11	(1)	1,825	2,225	294	(37)
Net cash flow from operating activities	(7,783)	10,250	20,730	42,699	46,829	8,373	18,257
Cash flows provided by (used in) financing activities							
Receipts from short-term loans	-	-	0	0	-	663	241
Loan repayments	-	-	(5,159)	(5,460)	(10,619)	(9,631)	-
Payments to related parties	11,326	(21,184)	(5,426)	(22,825)	(25,140)	-	(8,437)

Receipts from related parties	68	-	68	-	-	14,929	-
Net cash flows from (used in) financing activities	11,394	(21,184)	(10,517)	(28,285)	(35,759)	5,961	(8,196)
Cash flows provided by (used in) investing activities							
Receipts from the sale of property, plant and equipment	-	-	104	0	105	74	1
Purchase of property, plant and equipment	47	-	(10,553)	(7,643)	(11,029)	(15,702)	(6,918)
	(5,261)	(1,387)	-	-	-	-	10
Other cash flow	69	-	67	0	-	-	-
Net cash flows from (used in) investing activities	(5,145)	(1,387)	(10,382)	(7,643)	(10,924)	(15,628)	(6,907)
Increase (decrease) in cash & cash equivalents before effect of changes in exchange rates	(1,534)	(12,321)	(169)	6,771	146	(1,294)	3,154
Effects of changes in exchange rates on cash and cash equivalents	(123)	(50)	(230)	(209)	(278)	(429)	(335)
Net increase (decrease) in cash and cash equivalents	(1,657)	(12,371)	(399)	6,562	(132)	(1,723)	2,819
Cash and cash equivalents at the beginning of the year	173	-	1,815	1,774	1,774	3,497	678
Cash and cash equivalents at the end of the year	(1,484)	(12,371)	1,416	8,336	1,642	1,774	3,497

B.8	Selected key pro forma financial information	Not applicable. There is no pro forma financial information.
B.9	Profit forecast or estimate	Not applicable. No profit forecasts or estimates are made.
B.10	Audit report qualifications	Not applicable. There are no qualifications in the audit reports.
B.11	Insufficient working capital	Not applicable. The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements and for the period covering at least 12 months from the date of this Prospectus.
B.31	Information about the issuer of the underlying shares	Information about the Company as the issuer of the underlying shares is included in B.1, B.2, B.3, B.4, B.5, B.6, B.7, B.9, B.10 and D.4.
B.32	Information about the issuer of the depository receipts	DNB Bank ASA, Registrars Department, a company organised under the laws of Norway, with registered business address at Dronning Eufemias gate 30, N-0191 Oslo, Norway, is the issuer of the Shares (depository receipts). The DNB Bank ASA is a Norwegian public limited liability company with business registration number 984 851 006, operating under and subject to Norwegian law.

Section C - Securities

C.1	Type and class of securities admitted to trading and identification number	The Company has one class of shares in issue and all shares in that class provide equal rights in the Company. Each of the shares carries one vote. The shares have been issued pursuant to the Chilean Corporations Act and the beneficial interests pertaining to the shares (i.e. the Shares) will be registered in book-entry form in the VPS under ISIN CL0002409135. The underlying common shares of the Company are registered in the Company's shareholders' register in Chile, kept by Servicios Corporativos Sercor S.A., under ISIN CL0002409135.
C.2	Currency of issue	The underlying shares are issued in USD (as defined below). The Shares will be

		issued in NOK (as defined below).
C.3	Number of shares in issue and par value	As of the date of this Prospectus, the Company's share capital is USD 91,786,390.08 divided into 66,000,000 shares, each without a par value. Of the Company's share capital, 56,818,008 shares are fully issued and fully paid, while 9,181,992 shares are fully issued but unsubscribed and unpaid.
C.4	Rights attaching to the securities	The Company has one class of shares and all shares carry equal rights in the Company. Each share carries one vote. All Shares will carry the same rights as the underlying shares, exercisable through the VPS Registrar, and each Share will thus carry one vote. The rights attached to the shares are further described in Section 16.12 "The Bylaws and certain aspects of Chilean law" and specific rights relating to the Shares are further described in Section 16.5 "Description of the Shares".
C.5	Restrictions on transfer	The Bylaws does not provide for any restriction on the transfer of shares or Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.
C.6	Admission to trading	The Company will on or about 26 January 2018 apply for admission to trading of the Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange approves the listing application of the Company on or about 31 January 2018, subject to certain conditions being met. The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on or around 2 February 2018. On 21 December 2017, the Company submitted its application for admission to trading of the shares on the Santiago Stock Exchange. The application was approved on 3 January 2018. The Company expects that trading in the shares on the Santiago Stock Exchange will commence on or around 2 February 2018.
C.7	Dividend policy	The Company's objective is to generate competitive long-term total shareholder returns. This return will be achieved through sustainable growth and stable dividend payments. The dividend amount to be paid will be approved and evaluated by the General Shareholders' Meeting on an annual basis. The Bylaws provides that at least an amount equal to 30% of the Company's annual net profit shall be distributed as cash dividend assuming there are no accumulated losses. The first potential distribution of dividends will be payable in 2018. There can be no assurance that a dividend will be proposed or approved in any given year. In deciding whether to distribute dividend and in determining its amount, the Board of Directors will consider applicable legal restrictions, as set out in Section 6.2 "Legal constraints on the distribution of dividends". The Company is not bound by any capital requirements, including capital expenditure requirements nor does any of the Group's contractual arrangements place any restrictions on the Company's ability to pay dividends. The Company has not directly distributed dividends for the financial years ended 31 December 2016, 2015 and 2014.
C.13	Information about the underlying shares	Information concerning the underlying shares is reflected in C.1, C.2, C.3, C.4, C.5, C.6 and C.7 above.
C.14	Information about the depository receipts	Information concerning the Shares is reflected in C.1, C.2, C.4 and C.5 above. Shareholders of the Shares have equal voting rights as shareholders of the Company's underlying shares. The Shareholders may instruct the VPS Registrar (as defined below) to vote the underlying shares, subject to any applicable provisions of Chilean law. The Company will furnish voting materials to the VPS Registrar and the VPS Registrar will notify the Shareholders of the upcoming vote and arrange to deliver the Company's voting materials to the Shareholder. Otherwise, Shareholders will not be able to exercise their voting rights unless the steps outlined in Section 17.4 "The VPS and transfer of Shares" are followed. The VPS Registrar's notice will describe the information in the voting materials

		and explain how Shareholders may instruct the VPS Registrar to vote the underlying shares. The VPS Registrar will only vote or attempt to vote as Shareholders instruct. The VPS Registrar itself will not exercise any voting discretion. The VPS Registrar will not hold any right to share in profits and any liquidations surplus which are not passed on to the Shareholders.
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Section D - Risks

D.2	Key risks specific to the issuer	The following is a summary of key risks that relate to the Group. Investors should read, understand and consider all risk factors in this Prospectus, which should be read in their entirety, before making a decision to invest in the Offer Shares: Risks related to the business of the Group: • The Group's income and future development is to a considerable extent dependent on market prices for the Group's products. • The Group's operations are subject to production related disorders which may have a negative impact on the quality of the Group's products. • The Group's ability to maintain control of its feeding costs is of major importance to the Group's profitability. • The Group's operations involves inherent risk relating to the outbreak of diseases. • The Group's farming sites are subject to the risk of fish escape and maritime wildlife which, inter alia, may lead to loss of fish. • The Group's operations are exposed to harsh and uncertain weather conditions and other natural developments that may have a negative effect on sea life. • The Group's operations are subject to the risk of harmful algae blooms that may negatively affect its fish production. • The Group's operations are located in areas exposed to volcanic eruptions and earthquakes. Risks related to the Group and its operations: • Contamination may affect the Group's farming operations. • The Group's operations are exposed to additional international trade restrictions. • Fluctuations in the Group's earnings. • Funding and working capital risk. • Customer credit risk. • Interest rate risk. • Liquidity risk. • The Group is subject to laws and regulations in several jurisdictions, whereas failure to properly comply with such may adversely affect its operations. • The Group's operations are subject to extensive industry regulation, including concession requirements. • If any part of the Group's business is moved outside of its current operative jurisdictions its overall tax exposure will change, which may affect its alleged compliance with applicable tax law, hence its profitability. Should any of the risks materialise, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flows and/or prospects, which could cause a decline in the value of the Company's shares and thus the value and trading price of the Shares, resulting in the loss of all or part
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		of an investment in the Shares.
D.3	Key risks specific to the securities	The following is a summary of key risks that relate to the Listing and the Shares. Investors should read, understand and consider all risk factors in this Prospectus, which should be read in their entirety, before making a decision to invest in the Offer Shares: Risks related to the Listing and the Shares: • The Company will incur increased costs as a result of being a publicly traded corporation. • The Selling Shareholder will remain the largest shareholder of the Company at completion of the Offering and will have significant voting power and the ability to influence matters requiring shareholder approval. • The price of the Shares could fluctuate significantly. • Future sales, or the possibility for future sales, including by the Selling Shareholder, of substantial numbers of Shares could affect the market price of the Shares. • Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares. • The transfer of Shares and their underlying assets is subject to restrictions under the securities laws of the United States and other jurisdictions. • Investors could be unable to recover losses in civil proceedings in jurisdictions other than Chile and Norway. • Chilean law could limit shareholders' ability to bring an action against the Company. • Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK. • Market yield rates could influence the price of the Shares. • Chilean tax legislation and the tax treatment of the Shares for non-Chilean shareholders is highly complex and not expressly regulated by Chilean tax law. • Risks related to the registration of the Shares in the VPS and the Registrar Agreement. Should any of the risks materialise, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, financial condition, results of operations, cash flows and/or prospects, which could cause a decline in the value and trading price of the Shares, resulting in the loss of all or part of an investment in the Shares.
D.4	Information on the issuer of the underlying shares	The key risks that are specific to the Company as the issuer of the underlying shares are included in D.2 above.
D.5	Information about the depository receipts	The key risks about the Shares are included in D.3 above.

Section E - Offer

E.1	Net proceeds and estimated expenses	The Company will receive the proceeds from the sale of the New Shares and the Selling Shareholder will receive the proceeds from the sale of the Sale Shares in the Offering. The Offering consists of an offer of New Shares issued by the Company to raise gross proceeds of approximately USD 47 to 57 million (approximately NOK 354 to 441 million). The Company will receive the net proceeds from the sale of the New Shares. The Company's total costs and expenses of, and incidental to, the Listing and the Offering are estimated to amount to approximately USD 3 million.
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		(approximately NOK 23 million).
E.2a	Reasons for the Offering and use of proceeds	The Company believes that the Offering and the Listing will: (i) enable access to specialised equity capital markets and to fund further growth; (ii) enable the Company to utilise expansion opportunities and to implement its investment plan; (iii) enhance the Company's financial position; (iv) enhance the Company's profile with investors, business partners, vendors and customers; and (v) enable the Selling Shareholder to partially monetise its shareholding, and allowing for a liquid market for the Shares going forward. The gross proceeds from the sale of the New Shares in the Offering are expected to amount to approximately USD 45 to 57 million (approximately NOK 354 to 441 million) and net proceeds of approximately USD 42 to 54 million (approximately NOK 331 – 418 million), based on estimated total transaction costs of approximately USD 3 million (approximately NOK 23 million) related to the New Shares and all other directly attributable costs in connection with the Listing and the Offering to be paid by the Company. The Company intends to use the net proceeds from the Offering of approximately USD 42 to 54 million (approximately NOK 354 to 441 million) to finance its investment and growth plans as further described in Section 11.6.1 "Principal Investments in progress and planned principal investments" and for general working capital purposes, meaning additional capital to fund the Company's business purposes.
E.3	Terms and conditions of the Offering	The Offering consists of (i) an offer of New Shares to raise a gross amount of approximately USD 45 to 57 million (approximately NOK 354 to 441 million), by the sale of up to 9,181,992 unsubscribed and unpaid New Shares, each without a par value and (ii) an offer of up to 12,598,008 Sale Shares, all of which are existing, validly issued and fully paid-up Shares, each without a par value, offered by the Selling Shareholder, as further specified in Section 13 "The Selling Shareholder". Assuming that all the New Shares and the Sale Shares are sold in the Offering, the Offering will amount to up to 21,780,000 Offer Shares. The Offering consists of: • An Institutional Offering, in which Offer Shares are being offered to (a) Institutional and professional investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from any prospectus and registration requirements, and (c) investors in the United States who are QIBs in transactions exempt from registration requirements under the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000. • A Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit. All offers and sales in the United States will be made only to QIBs in reliance on rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in reliance on Regulation S. The Bookbuilding Period for the Institutional Offering is expected to take place from 24 January 2018 at 09:00 hours (CET) to 1 February 2018 at 11:00 hours (CET). The Application Period for the Retail Offering is expected to take place

		from 24 January 2018 at 09:00 hours (CET) to 1 February 2018 at 10:30 hours (CET). The Company, in consultation with the Managers, reserve the right to shorten or extend the Bookbuilding Period and Application Period at any time. The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 2 February 2018, by issuing contract notes to the applicants by mail or otherwise. Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 6 February 2018. DNB Markets, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 2 February 2018, by issuing allocation notes to the applicants by mail or otherwise. The due date for payment in the Retail Offering is on or about 5 February 2018. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 6 February 2018.
E.4	Material and conflicting interests	The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a management fee in connection with the Offering, which will be based on the amount of gross proceeds received from investors, and as such, have an interest in the Offering. The Selling Shareholder will receive net proceeds from the sale of the Sale Shares and the Company will receive proceeds from the sale of New Shares in the Offering. Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.
E.5	Selling shareholder and lock-up agreements	Details about the Selling Shareholder is described in Section 13 "The Selling Shareholder". The number of Sale Shares to be sold by the Selling Shareholder will be subject to the final Offer Price. <i>Lock up undertakings:</i> <i>The Company</i> The Company is expected to undertake that it will not, without the prior written consent of the Global Coordinator, during the period from the date of the Placing Agreement and until 12 months from the first day of trading of the Shares on Oslo Børs, (1) issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other equity interest in the capital of the Company or any securities convertible into or exercisable for such Shares or other equity interests, or (2) enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or other equity interests, whether any such transaction described in (1) or (2) above is to be settled by delivery of the Shares or other securities or interests, in cash or otherwise, or (3) publicly announce or indicate an intention to effect any transaction specified in (1) or (2) above. The foregoing shall not apply to: (A) the issue of the Offer Shares in the Offering, (B) the granting of options or other rights to Shares, or the honouring of options or such other rights to Shares, by the Company pursuant to any management or employee share incentive schemes or agreements or (C) the issuance or transfer of Shares as consideration in mergers or acquisitions

		<i>The Selling Shareholder</i> The Selling Shareholder is expected to undertake that it will not, directly or indirectly, without the prior written consent of the Global Coordinator, during the period from the date of the Placing Agreement until 12 months, from the first day of trading of the Shares on Oslo Bors, (1) sell, offer to sell, contract or agree to sell, hypothecate, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (3) publicly announce an intention to effect any transaction specified in clause (1) or (2), provided, however, that the foregoing shall not apply to: (A) the sale or other transfer of Shares as part of the Offering, (B) the pre-acceptance or acceptance of a takeover offer for all Shares in accordance with chapter 6 of the Norwegian Securities Trading Act or a legal merger, or (C) any transfer of Shares to a company wholly owned by the Parent provided that the transferee(s) in writing assumes the obligations set forth in this undertaking. The undertaking apply to all Shares and rights to Shares currently held or which during the lock-up period are acquired by the Selling Shareholder and entities directly or indirectly controlled by the Selling Shareholder.
E.6	Dilution resulting from the Offering	Following completion of the Offering, the immediate dilution from subscription of the New Shares for the Selling Shareholder who will not participate in the Offering is expected to be approximately 14% assuming issuance of all the New Shares.
E.7	Estimated expenses charged to investor	Not applicable. The expenses related to the Offering will be paid by the Company and the Selling Shareholder.

2 RISK FACTORS

An investment in the Offer Shares involves inherent risk. Before making an investment decision with respect to the Offer Shares, investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Offer Shares. An investment in the Offer Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the Offer Shares. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value of the Company's shares and thus the value and trading price of the Offer Shares, resulting in the loss of all or part of an investment in the same.

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's business, results of operations, cash flows, financial condition and/or prospects. The risks mentioned herein could materialise individually, simultaneously or cumulatively. The information in this Section 2 is as of the date of this Prospectus.

2.1 Risks related to the business of the Group and the industry in which the Group operates

The Group's income and future development is to a considerable extent dependent on market prices for the Group's products

The Group's financial position and future development depend to a considerable extent on the price of Atlantic salmon and trout sold by the Group which has historically been subject to substantial fluctuations. The demand for the Group's products is affected by a number of different factors, such as changes in customer preferences, changes in prices and volumes of substitute products and general economic conditions. There can be no assurance that the demand for the Group's products will not decrease in the future. The Group may also have limited flexibility to adjust its product mix in order to accommodate changing circumstances. See Section 8.3 "Strategy" for information about the Group's value added products and market diversification.

Export to the United States, Russia, Brazil, Mexico, Japan, China, Argentina and Europe accounts for the main portion of the Group's total sales. The total supply of the Group's products fluctuates strongly due to variations in factors such as smolt release, biology and seawater temperatures. As a result of the long production cycle and a limited time window available for harvesting, the Group and other industry players have limited flexibility to manage their supplies from month to month. A percentage of farmed Atlantic salmon is sold as a fresh commodity, constituting approximately 42% of the Group's export products, with limitation on the time available between harvesting and consumption. Short-term overproduction may therefore result in very low spot prices obtained in the market. The entrants of new producing nations or the issuance of new production licenses could result in an overproduction in the industry. The market has in recent years experienced a strong growth and throughout the world Atlantic salmon has grown at a CAGR of approximately 5.5% for the preceding 10 years. Short-term or long-term decreases in the price of the Group's products may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.

The Group's operations are subject to production related disorders which may have a negative impact on the quality of the Group's products

As the aquaculture industry has evolved and developed, the biological limits for how fast fish can grow have also been challenged. As with all other forms of intensive food productions, a number of production-related disorders may arise, i.e. disorders caused by intensive farming methods. Such disorders can severely affect certain populations. Well-known production-related disorders include physical deformities and cataracts, which have the ability to cause loss by way of reduced growth and inferior health, reduced quality on harvesting and damage the Group's reputation. Research has shown that deformities can be caused by, but not limited to, the following; (i) excessively high temperatures during the fish's early life; (ii) not enough phosphorus in the fish's diet; (iii) acidic water as well as too much carbon dioxide in the water during the freshwater production phase; and (iv) growth that is not sufficiently monitored and steadily, resulting in a too rapid growth.

The Group's ability to maintain control of its feeding costs is of major importance to the Group's profitability

Feeding costs, smolt costs, costs relating to health treatment, net cleaning and other ex-cage costs are a natural part of the farming of Atlantic salmon and trout. Costs of feeding accounts for a significant portion, i.e. approximately 41% of the Group's total production costs, and a significant increase in feed prices could have a major impact on the Group's profitability. The feed industry is characterised by large global suppliers operating under cost plus contracts, and feed prices are accordingly directly linked to the global markets for fishmeal, vegetable meal, animal proteins and fish/vegetable/animal oils which are the main ingredients in fish feed. A significant increases in the prices of these raw materials will accordingly result in an increase in feed prices and such fluctuations in feed prices may have a major impact on the Group's (and the overall industry's) profitability. The Group may not be able to pass on increased feed costs to its customers. Due to the long production cycle for farmed Atlantic salmon there may be a significant time lag between changes in feed prices and corresponding changes in the prices of farmed salmon and finished products to customers.

If one or more of the Group's feed contracts were to be terminated on short notice prior to their respective expiration dates, the Group may not be able to find alternative suppliers in the market. Shortage in feed supply may lead to starving fish, accelerated harvesting, loss of biomass and reduced income. Natural limitations in the marine resource base could furthermore lead to global shortages of fishmeal and fish oil. Sustainability with regard to the extensive use of fishmeal and fish oil combined with a growing fish farming industry is a challenge for the industry. The Group also assumes operational risks linked to the quality and utilisation of feed. The Group's ability to maintain control over its costs could in conjunction with an increase in the feed price, shortage of feed or reduced quality or utilisation of the feed have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.

The Group's products may be subject to increased food safety issues and perceived health concerns by customers, governmental authorities and non-governmental organisations

Food safety issues and perceived health concerns may have a negative impact on the reputation of and demand for the Group's products. As the Group's products are for human consumption, it is of critical importance that the products are perceived as safe and healthy in all relevant markets. The food industry in general experiences increased customer awareness with respect to food safety and product quality, information and traceability. A failure by the Group to meet new and exacting customer requirements may reduce the demand for its products. Non-governmental organisations, such as environmental organisations and animal rights groups, campaigning groups, research communities or others may direct negative publicity towards the fish farming industry. Negative media attention could raise consumer scares in relation to farmed salmon and trout, which may result in declined demand for the Group's products. Various perceived health concerns, *inter alia*, in relation to the level of organic contaminants, cancer-causing PCB (polychlorinated biphenyls) and dioxins in, *inter alia*, farmed salmon and trout, have attracted negative attention in the media in the past. New perceived health concerns or food safety issues relating to products offered by the Group may arise in the future and affect the Group's ability to market and distribute its products. Perceived health concerns and increased quality demands from customers may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.

Occasionally, environmental organisations, campaigning groups, animal rights groups or others may direct negative publicity towards the fish farming industry. Such publicity may negatively impact the reputation of farmed salmon and trout, even if there is no direct risk to human health, and may consequently have a negative impact on the demand for the Group's products. New perceived health concerns or food safety issues relating to products offered by the Group that may arise in the future, could affect the Group's ability to market and distribute the Group's products. Product quality is subject to internal quality control, food safety and certification monitoring programmes and testing carried out by customers. Guidelines and legislation with tougher requirements, which may imply higher costs for the food industry (e.g. enhanced traceability, level of documentation, testing variables, etc.) might impact the Group's activities, and have material adverse effect on the price of the Company's Shares. See Section 8.2 "Competitive strengths" for information about certifications held by the Company.

The Group's operations involves inherent risk relating to the outbreak of diseases

The operation of fish farming facilities involves inherent biological risks, such as outbreak of diseases, viruses, bacteria, parasites, algae blooms, jelly fish and other contaminants. If there is a disease outbreak, the Group may, in addition to the direct loss of fish, incur substantial costs in the form of lost growth on biomass, accelerated harvesting, loss of quality of harvested fish and a subsequent period of reduced production capacity and loss of income. The Group's operation of Atlantic salmon farming and trout farming, as any other intensive animal husbandry, has

historically experienced several periods with extensive disease problems. Common to all of these is that a solution to decrease extensive disease problems have been found through selective breeding, better operating routines, increased expertise regarding the fish's biological requirements, and the development of effective vaccines. New diseases might arise and lead to substantial losses for the Group as well as other salmon and trout farmers. An excessive use of antibiotics to combat new diseases could result in bacterial species developing antibiotic resistance and revive diseases that today are subject to effective control. Accordingly, there can be no assurance that the Group's operations will be disease free in the future. Epidemic outbreaks of diseases, including but not limited to the ones described below, may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The following is a selection of the most serious health threats to Atlantic salmon and trout, and to only one of the species where stated, all of which constitutes a risk for the Group's Atlantic salmon and trout farming operations:

Sea lice

There are several species of sea lice, which are naturally occurring seawater parasites. Sea lice attaches itself to the gills, mucus and/or skin of several kinds of fish, including salmon and trout. Sea lice can infect the fish skin and if not properly and effectively controlled they can cause lesions and affect the fish's health, welfare, growth and immunity to diseases. Sea lice are controlled through good husbandry and management practices, the use of lice prevention barriers (e.g. skirts), in-feed sea lice treatment, mechanical removal systems and when necessary licensed medicines. Treatment of sea lice is costly and the increased resistance against several types of medicaments used in sea lice control is a growing concern in the industry.

Salmonid Rickettsial Septicaemia (SRS)

SRS is caused by *Piscirickettsia salmonis*, a parasitic intracellular bacteria, and costs the farmed salmon industry more than USD 300 million annually. SRS can spread rapidly, causing high mortalities if not treated quickly. SRS occurs mainly in Chile but has also been observed, but to a much lesser extent, in Norway, Ireland and the UK. It causes lethargy, appetite loss and can result in elevated mortality. SRS is to some extent controlled by vaccination, but medicinal intervention (licensed antibiotics) may also be required. The dependency on antibiotics and thus risk of SRS becoming resistant towards commonly used drugs represent a risk of significant losses.

Infectious Pancreatic Necrosis (IPN)

IPN is caused by the IPN virus and is widely reported. It is a contagious virus that can cause mortality if not managed appropriately. IPN can affect salmon fry, trout, smolts and larger fish post-transfer. Available vaccines can protect against IPN and good results are obtained by optimizing husbandry and biosecurity measures. In addition, using IPN resistant fish (QTL-based fish selection) has contributed significantly to reducing the incidence of IPN.

Infectious Salmon Anaemia (ISA)

ISA is widely reported infectious viral disease of marine-farmed salmon, causing lethargy and severe anaemia for the infected fish. It is a contagious disease that may lead to significant mortality in seawater if not appropriately managed. The disease has been reported in Norway, Scotland, Ireland, the Faroe Islands, Canada, USA and Chile. Control of an ISA outbreak is achieved through culling or harvesting of affected fish in addition to other biosecurity and mitigation measures. Vaccines are available and in use in 100% of the smolt.

ISA is subject to strict governmental control measures and will normally prompt compulsory culling of the entire stock and a subsequent fallow period. Suspected farms and farms in the vicinity of an outbreak will be placed under surveillance and subject to strict movement controls. The risk of an outbreak increases strongly with proximity to the source of infection, poor quality smolt and insufficient fallow periods. There is no medical treatment for ISA. Vaccines have been developed the recent years, but their effectiveness varies when exposed to severe infection pressure. The infected fish represent no health risk for humans and may in most jurisdictions be sold in the open market if it is without clinical signs of disease and above marketable size, which is approximately 1.2 kg. Infected fish below this size will normally be destroyed.

ISA has a significant potential downside for the Group and the salmon farming industry in general. During 2007 – 2009 a serious ISA epidemic hit Chile, which led to the closure of several farms. There can be no assurances that the Group will not experience an ISA event of a similar or greater magnitude in the future, nor that the Group will not experience a decrease in revenues and overall profitability due to ISA epidemics.

Gill Disease (GD)

GD is a general term used to describe gill conditions occurring in seawater. The changes may be caused by different infectious agents; amoeba, virus or bacteria, as well as environmental factors including algae or jelly-fish blooms. Little is known about the cause of many of the gill conditions and to what extent infectious or environmental factors are primary or secondary causes of disease. The impact of fish farming on the environment is linked to discharge of organic material, the potential shedding of sea lice by the caged fish, and the risk of fish escape. The tangible risk associated with discharge of organic material is thoroughly assessed during consent application of sites to the Chilean governmental bodies. The recipient capacity must adhere to the planned biomass on site. Secondly, benthic sampling is undertaken on a yearly basis to ensure compliance with recipient capacity and tolerance. See Section 8.14 "Environmental, health and safety matters" for information about the Group's measures to reduce effects of discharge of organic material.

The Group's farming sites are subject to the risk of fish escape and maritime wildlife which, *inter alia*, may lead to loss of fish

Human error in connection with reception, grading, sampling and handling of fish, damage to cages and net failure, as well as natural phenomena such as extreme weather may allow fish to escape. Coastal waterways represent a risk of boats accidentally harming farm constructions, making escapes unavoidable. Incidents of significant fish escapes could result in substantial loss of biomass as well as repair costs, spreading of diseases to and genetic interaction with wild salmon and trout, negative publicity and penalties or other sanctions from Chilean governmental authorities which again could affect the licenses held by the Group. Frequent fish escapes could affect the Group and the industry's reputation and possibility for further growth. Fish escapes may accordingly have a material adverse effect on the Group's business, financial condition, results of operation and/or prospects. Further, Chile has experienced an increasing problem relating to maritime wildlife, including the presence of hippocampus near the farming sites which leads to a loss of fish and which may require the Company to make future investments to retain an increasing problem. Maritime wildlife may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group's senior management team and key employees are important to the Group's continued success and the loss of one or more members of the Group's senior management team or one or more of the Group's key employees could have a material adverse effect on the Group's business

The Group's performance is to a large extent dependent on highly qualified personnel and management, and the Group's continued ability to compete effectively, implement its strategy and further develop its business depends on its ability to attract new and well qualified employees and retain and motivate existing employees, making it important that the Group is able to implement actions and offer a business model that continues to motivate existing and valuable employees, as well as attract new talents. Being in the fish farming industry, the Group is especially vulnerable for climate changes and occurrences of natural disasters and thus in need of employees who are able to respond quickly in challenging situations. The importance of having qualified personnel especially emerged in the aftermath of the volcano eruption in 2015 and the HAB (as defined below) in 2016. These experiences showed that the Group's dependency on having qualified employees does not only concern the senior management team, but the entire organisational structure from the breeding and production process to corporate and managerial positions.

Competition for key employees within the fish farming industry, including domestic and international competitors as well as businesses outside the ordinary fish farming industry, is intense, as is competition for highly skilled senior management. The Group may not be able to retain its key employees or senior management personnel nor attract and retain new employees and senior management personnel in the future. The Group's competitors may actively seek to recruit its senior management personnel or other key employees and may succeed in such efforts. Further, financial difficulties and other factors might have negative impacts on the Group's ability to retain key employees or recruit new talents. Any loss of the services of key employees, particularly to competitors, or the inability to attract and retain highly skilled personnel could have a material adverse effect on the Group's business, results of operation, financial condition and/or prospects.

The Group may not be able to successfully anticipate, manage or adopt technological changes within the fish farming industry

The Group may be unsuccessful in anticipating, managing or adopting technological changes within the fish farming industry on a timely basis, which could reduce profitability or disrupt operations and harm the Group's business. In addition, the Group's future growth and development may require additional investment in technological systems. The Group depends on having the investment capital resources necessary to invest in new technologies to optimize and streamline its fish farming facilities. Nevertheless, the Group may not have adequate capital resources available when

it needs to make such investments, which could result in a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group is exposed to significant reputational risk

Negative publicity related to the Salmones Group, its controlling shareholder Compañía Pesquera Camanchaca S.A. ("Compañía Pesquera") and/or its business partners could, regardless of its truthfulness, adversely affect its reputation and goodwill. Negative attention and news regarding the fish farming industry and its production of commodities, which also includes the Group, may have a negative impact on consumers' willingness to purchase the Group's products (either at all or at the current price level). The Group is exposed to the risk that negative publicity may arise from activities of legislators, pressure groups and the media, for instance that fish and other commodities are being bred only to generate profit, which may tarnish the Group's reputation in the market.

Negative reputational publicity may arise from a broad variety of causes, including incidents and occurrences outside the Group's control. An example is the sinking of Selkongen in October 2017, a vessel owned and operated by CPT Empresas Maritimas S.A., which was transporting live salmon from the Company's farm site in Pilpilehue to the Company's processing plant. No assurance can be given that similar incidents will not occur in the future, which may cause negative publicity relating to the Group's operations and affect the Group's reputation.

Negative publicity could jeopardize the Group's existing relationships with customers, end-consumers and suppliers or diminish the Group's attractiveness as a potential investment opportunity. In addition, negative publicity could cause customers and end-consumers to purchase fish and other products from the Group's competitors, i.e. decrease the demand for the Group's products in some or all of its operative markets. Occurrence of any of these actions could impact the Group's ability to sell its products in Chile and/or export its products and may thus have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group operates in a global and highly competitive market and there is no guarantee that the Group will be successful in its future business operations

The market for farmed Atlantic salmon and trout is global and highly competitive, which faces the Group with strong competition from both international and local competitors. The Group competes on the basis of product quality, prices, reputation, relationship, industry experience and performance. Other businesses may develop competitive advantages that the Group cannot match, which may reduce the Group's access to and success in competitive sales processes for its products. The Group's current and new competitors may have or may in the future develop substantially greater operational or technical methods, personnel or procedures to offer lower prices for high quality products, more efficient operating structures, greater adaptability to changing market needs and more established relationships with customers, in addition to operations involving the sale of seafood. There can be no assurance that the Group will be able to respond to existing as well as new sources of competition.

In the future, the Group may not have the resources or ability to compete successfully with its local or international competitors. There can be no assurance that the Group will be able to offer competitive prices and competitive quality of its products, nor that it will be able to maintain its strong position and status in the seafood market. If the Group is less successful than its competitors to develop and maintain or expand its business or adapt to changing market needs, or if the Group's competitors are able to offer products of similar or higher quality at a lower cost for the customers and end-consumers through adopting efficient production methods including adopting new technological processes, or advance pricing in a way that the Group is not able to respond to, the Group may be unable to distribute its products at prices it deems appropriate in order to operate profitably. Any inability to compete effectively may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group's operations are exposed to harsh and uncertain weather conditions and other natural developments that may have a negative effect on sea life

Natural phenomena, such as the recurring El Niño-Southern Oscillation (the ENSO cycle – a scientific term that describes the fluctuations in temperature between the ocean and atmosphere in the east-central Equatorial Pacific Ocean), may, *inter alia*, cause variations in oceanographic features. El Niño-Southern Oscillation has two phases: (i) El Niña, which is referred to as the cold phase and (ii) El Niño, which is referred to as the warm phase. El Niño is characterised by the abnormal warming of sea surface temperature in the east-central Equatorial Pacific Ocean, occurring every two to seven years with a duration of up to 18 months. Agriculture, fisheries and forestry are main economic sectors that can be severely affected by the El Niño phenomenon, and the Pacific coast of the Americas, including the Chilean coast-line, is especially targeted. During El Niño, the Group's facilities are, in the same manner as all fish farming facilities located on the Chilean coastline, exposed to harsh weather conditions that other global competitors might not be experiencing to the same extent, which may negatively impact its competitive position. Warmer

temperatures in the ocean alter the locations and types of fish stocks, potentially causing significant reductions in fish catches of species suitable for fish feed, such as anchovies. Accordingly, the occurrence of El Niño may have a material adverse effect on the Group's production and thus overall results of operations, financial conditions and/or prospects.

During the year of 2015 – 2016, the El Niño phenomenon was more intense than it has been for the past 65 years, directly affecting the Group's operations. By causing a significant rise in the ocean surface temperature surrounding Chile and the Group's facilities, which in turn affected the biomass and phytoplankton that serve as food for other sea life, El Niño 2015 – 2016 had a major impact on the Group's raw materials and salmon farming. El Niño was also one of the factors that gave rise to the HAB in February 2016. In the second half of the year, oceanographic conditions began to return to normal. As El Niño is a recurring phenomenon, there can be no assurances that the Group's operations will not be as or more affected by El Niño seasons in the future, which may also result in a temporary reduction in global access to raw materials for feed production, which consequently may affect the global supply-and-demand of seafood.

The Group's operations are subject to the risk of harmful algae blooms that may negatively affect its fish production

Of the approximately 4,000 described types of algae in the world, approximately 75 have been identified as harmful to living marine organisms. Algae represents a risk especially in fish farming because fish in cages cannot escape as they normally could in the wild. Algae kills fish through the following three main mechanisms:

- A local concentration of harmful algae blooms that are so dense that the amount of available oxygen falls dramatically, causing fish mortality due to lack of oxygen;
- Basically harmless algae may irritate the gills of the fish and in high concentrations can cause the gills to close completely, which results in asphyxiation. This particularly affects smaller fish; and
- Under certain environmental conditions or as a function of high concentration levels, algae may produce toxins that have a neurotoxic effect on fish.

Blooms of noxious algae are largely dependent on local marine and weather conditions, where warmer sea temperatures might favour and intensify the occurrence of harmful algae blooms. In conjunction with El Niño 2015/2016, southern Chile suffered an unprecedented harmful algae bloom ("HAB") that gravely affected the mortality rate in three salmon grow-out sites in the Reloncavi Sound. The HAB, which lasted around 26 days, provoked a sharp decline of approximately 17% in the Group's salmon farming production and caused a mortality of 2.8 million fish. The HAB resulted in total costs of approximately USD 25 million, reducing the harvests for that year by nearly 15 thousand tonnes. Three of the Group's sites were affected, forcing the Group to undertake a full operative to handle the fish mortality affected by the HAB, adapt its production and sales strategy and activate its insurance policies for this type of risk. There can be no assurance that potential future and harmful algae blooms will not cause material adverse effects to the Group's business, results of operations, financial condition and/or prospects. See Section 8.2 "Competitive strengths" for information about the Group's handling of the HAB in 2016.

The Group's operations are located in areas exposed to volcanic eruptions and earthquakes

The Group's Petrohué Hatchery is located in the Los Lagos Region, which also is the location of the Calbuco volcano. Calbuco is an active and explosive andesite volcano and had ten eruptions during the 20th century. The most recent eruption was in late April 2015, when the volcano erupted with little warning and with an eruption that ranked as a 4 on the Volcanic Explosivity Index.¹ The eruption in 2015 caused severe damages to the Group's Petrohué Hatchery, which as a result had to close. The Petrohué Hatchery was covered in 600 kilos of ash and volcanic sand per square meter, resulting in structural problems, rupture of farm troughs and tanks, and the consequent loss of more than 50% of the fish population in this hatchery. There can be no assurance that a potential future volcano eruption will be handled as successfully. Another volcano eruption is in any event likely to negatively impact the Group's business, results of operations, financial conditions and/or prospects.

¹ The Volcanic Explosivity Index is a relative scale that enables explosive volcanic eruptions to be compared with one another. The index measures the explosiveness of volcanic eruptions, i.e. the size and strength of the eruption. The scale range from 0 to 8 in magnitude.

Furthermore, Chile is located at one of the planet's most active seismic zones, making Group's operations particularly exposed to violent earthquakes. The occurrence of an earthquake, depending on its magnitude, may negatively affect the Group's facilities and consequently cause materially adverse effects to the Group's business, results of operations, financial conditions and/or prospects. See Section 8.13 "Insurance" for information about the insurance coverage held by the Group.

2.2 Risks related to the Group and its operations

Contamination may affect the Group's farming operations

The Group's farming of Atlantic salmon and trout may be exposed to contamination by undesirable substances through raw materials and ingredients in the feed, polluted waters, poor processing hygiene and cross contamination during handling. Contamination could occur accidentally or on rare occasions deliberately through malicious product tampering. Contamination may affect food safety, fish health and the environment and reduce the customers and end-consumers' confidence in purchasing and consuming the Group's products. Potential contaminants include organic contaminants such as dioxins and PCB (polychlorinated biphenyls), mycotoxins, pesticides, anti-oxidants (such as ethoxyquin, BHA and BHT), brominated flame retardants, inorganic contaminants such as lead, mercury, arsenic and cadmium and bacterial contamination.

Listeria monocytogenes is a potential food-borne bacterium that can grow at low temperatures and potentially cause disease if present in food products that are eaten without prior heat treatment such as cold smoked products, raw fish (e.g. as used in various sushi and sashimi dishes). Other competitors have previously detected *Listeria* in cold smoked salmon processed at their factories in Chile which resulted in a voluntary product recall followed by an inventory write-down. Future accidents of product contamination could result in recall of the Group's products, product liability, negative publicity and/or governmental sanctions and may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group's operations causes emissions and discharge of substances that may have an impact on the marine environment and open sea

The Group's operations may have a negative impact on the environment by way of discharge of nutrients and medicaments in the marine environment through overfeeding and faeces from fish, infection of wild species or shedding of sea lice by caged fish, incidents of fish escapes, use of unsustainable sourced feed and CO₂ emissions related to feed production and distribution of end-products. Some of the Group's sites are located close to protected areas or highly sensitive areas as regards to biodiversity. The effect salmon and trout farming has on the environment and biodiversity is intensively discussed among scientific groups. New know-how on the environmental impact of salmon and trout farming may force closure of sites located in vulnerable areas and/or oblige implementation of costly measures to reduce negative environmental impacts. Specific additives in feed and medicaments could become prohibited if found to negatively impact the environment. Implementation of costly actions to reduce the Group's operations' impact on its surroundings and/or if the Group is held liable for breaches of environmental laws and regulations its business, financial condition, results of operations and/or cash flow may be negatively affected. See Section 8.14 "Environmental, health and safety matters" for information about the Group's procedures for handling environmental impact of the Group's operations.

Further, the Group's fish farming is operated in open net cage systems located in marine environment and is accordingly exposed to pollution from open seas. Coastal waterways are subject to traffic by large cargo carriers. No assurances can be made regarding the occurrence of oil spills and other pollution from accidents and/or cargo carriers, in which any such event may negatively affect the Group's farming facilities and have material adverse effects on the business, financial condition, results of operations or cash flow of the Group.

Insurance coverage may be unavailable for the Group's operations

The Group is exposed to natural hazards that may affect its normal operations, such as volcanic eruptions, tidal waves and tsunamis, earthquakes, harmful algae blooms, existence of natural predators and other factors that may threaten the biomasses, fish catches and productions facilities. Because insurers in general struggle with eliminating risks of events that lead to correlated losses through insurance pooling, many insurers refrain from insuring correlated risks (e.g. natural hazards). The severity of correlated risks is also difficult to predict, leading to high-priced and unfavourable insurance premiums and/or deductibles with those insurers who do offer coverage for such loss. For certain biological events and fish diseases it is currently not possible to obtain insurance coverage at all or at premiums that the Group considers to be commercially viable. The fish farming insurance industry is accordingly characterised by a limited number of insurers. Even for insurable biological events, the coverage often involves a significant deductible in the form of an insurance excess or requirements regarding mortality per net cage or site. Coverage may also be dependent on the insurance value of the fish, which may be at positive or negative variance

with the book value. There will always be a risk that certain biological events or natural phenomena occur for which no or only partial indemnity under the Group's insurance policies is payable, or that the deductible is so costly that the Group suffers a large loss regardless of payment for an insurance claim. The occurrence of biological events or other catastrophes for which the Group is not insured, has limited coverage or high insurance deductibles may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group's operations are exposed to additional international trade restrictions

The Group's export to other countries are subject to International trade rules and regulations. Future restrictions on international trade may affect how the Group carries out its operations and oblige the Group to change its current business model. Farmed Atlantic salmon and trout are commodities which is produced in a limited number of countries and sold globally. The Group's production facilities are only located in Chile and as such located outside the Group's principle export markets, and is thus exposed to trade restrictions. Historically, trade restrictions have inhibited an optimal distribution of farmed Atlantic salmon and impacted the price yield for farmed Atlantic salmon producers in the countries affected by such restrictions. Trade restrictions could include import prohibition, minimum import prices and high import duties and may cause suboptimal trading patterns and reduce the competitiveness of the Group's products compared to other available products. Future trade restrictions may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group's facilities can be subject to sabotage

Certain global environmental organisations aims to eradicate salmon and trout farming. The degree of fundamentalism varies from group to group, and the majority limit themselves to spreading disinformation and untruths about fish farming in general. Any occurrence of such groups' of sabotage (e.g. damage to production facilities with the intention of hurting the Group financially and/or exposing it, or the salmon or trout farming industry in general, to negative media coverage) may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

2.3 Risks related to financing and market risk

Fluctuations in the Group's earnings

The Group's profitability can vary from quarter to quarter, and seasonal fluctuations. Trends in business volumes are closely correlated with salmon and trout prices and general economic conditions, which also have the ability to affect the Group's earnings.

Funding and working capital risk

The Group operates in a capital intensive industry. As the production cycle from eggs to finished products takes approximately 27 months, substantial working capital is required both in a steady state and in particular when increasing production volumes. The Group's future development and growth may be dependent on access to external capital in the form of debt and/or equity capital. A lack of access to such capital or material changes in the terms and conditions relating to the Group's external financing, could limit the Group's future growth and strategy and may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Customer credit risk

The Group is exposed to the risk of losses if one or more contractual partners do not meet their obligations. A significant proportion of the Group's trade receivables are insured and credit ratings are undertaken of all new customers. Payment failures by the Group's customers may nevertheless have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

The Group is exposed to the risk of currency fluctuations

The Group's reporting and functional currency is USD, while its main financing currencies are USD and CLP. The Group's revenues are primarily in USD, however, some revenues are also based or quoted in EUR, GBP and CLP, and some of the Group's business activities are also conducted in currencies other than USD, GBP or CLP. The Group is also engaged in substantial international activities whereby the Group's main export is to the United States, Russia, Brazil, Mexico, Japan, China, Argentina and Europe, thus exposing the Group to volatility associated with foreign currency exchange rates. Currency exposure is the result of purchases of goods and services in other currencies than the Group's functional currency (transaction exposure) and of the conversion of the balance sheets and income statements in foreign currencies into USD (translation exposure). Such translation exposure does not give rise to an immediate cash effect. In addition, changes in exchange rates can affect the Group's customers and suppliers negatively and for instance result in a reduction of customers' willingness to pay (reduce the demand at the current price level) or increase suppliers' costs and thus increase the Group's third-party provided products and services, each of which could indirectly affect the Group's profitability. The Group's main exposure to currency fluctuations is to EUR, GBP and CLP.

Interest rate risk

Fluctuations in market interest rates may affect the Group's financial performance. The Revolving Credit Facility exposes the Group to interest rate risk by using floating reference rates such as the London Interbank Offered Rate ("LIBOR"). In addition, the Group is exposed to the impact of movements in the interest rate environment on the recoverability of debts. Changes in interest rates could significantly increase the Group's interest expense and/or reduce its interest income.

The Group may employ hedging strategies such as interest rate swaps and interest rate caps which enable the Company to monitor or reduce its interest rate risk exposure, but there is no guarantee that the Group will be able to successfully hedge all of its interest rate risk or be able to maintain its current hedging policy in the future on commercially acceptable terms. Consequently, unexpected changes in market interest rates could have an adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Refinancing risk

Refinancing risk is the risk that the Group, at the maturity of its Revolving Credit Facility, is unable to successfully refinance the indebtedness or only succeeds in borrowing funds at substantially increased costs compared to existing financing arrangements. The volume of the Group's sourcing funds, in particular long term financing, may be limited during liquidity pressure or market turmoil. Refinancing problems may result in the Company being unable to meet its payment obligations as they fall due. The occurrence of any such events could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Liquidity risk

The Group's business faces liquidity risks, meaning that the Group may be in a situation where it does not have sufficient liquidity to cover its financial obligations, which as a consequence may have a material adverse impact on the Group's business, results of operations, financial position and/or future prospects. Liquidity risk is the risk that the Group will have trouble meeting those financial obligations which must be settled in cash or with other financial assets. The single largest factor influencing liquidity risks is fluctuation in salmon prices. Other key liquidity risks are fluctuations in production and harvest volumes, biological issues and changes in the price of feed. Liquidity risk arises from possible mismatches between the needs of funds, for investments in assets, operating expenses, financial expenses, payments of maturity debts and dividends committed against sources of funds, such as revenue from sales of products, collection of customer accounts, rescue of financial loans and access to financing.

2.4 Risks related to laws and regulations

The Group is subject to laws and regulations in several jurisdictions, whereas failure to properly comply with such may adversely affect its operations

The Company is a publicly held corporation with its shares to be traded on the Santiago Stock Exchange and the Shares on the Oslo Stock Exchange, with international business activities, making the Company and the Group as such subject to laws and regulations in multiple jurisdictions. Laws and regulations are subject to continual changes, whereas some legislative changes may be either disadvantageous to the Group's business or could oblige the Group to change its course of business or amend its business strategy to a less profitable strategy. Any failure to comply with applicable national and/or international laws could lead to costly litigations, penalties and other sanctions, and thus adversely affect the overall performance of the Group.

The Group's operations are subject to extensive industry regulation, including concession requirements

The Group's activities are subject to extensive international and national regulations, in particular relating to environmental protection, food safety, hygiene and animal welfare. The Group's operations within salmon and farming are furthermore strictly regulated by concessions granted by the Chilean authorities. See section 8.12 "Regulation of fish farming in Chile" for further information regarding concessions held by the Group. In general, changes in laws, regulations and concessions may have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.

The Group cannot predict the extent to which its future operations and earnings may be affected by mandatory compliance with new or amended legislation or concessions. Authorities may amend or revoke concessions without demonstrating any non-compliance of any legislation, license or other permit. Concessions can for instance be revoked or amended if it is necessary due to environmental considerations, if there are changes in any material assumptions underlying the licence or if the licence is not used, or only used to a limited extent.

The authorities may introduce further regulations for the operations of aquaculture facilities, such as, enhanced standards of production facilities, capacity requirements, feed quotas, fish density, site allocation conditions or other parameters for production. Furthermore, authorities may impose stricter environmental requirements upon fish farming, e.g. restrictions or a ban on discharges of waste substances from the production facilities, stricter requirements to prevent fish escapes and new requirements regarding animal welfare. Investments necessary to meet new regulatory requirements could be significant and expensive for the Group. Legislation and guidelines with tougher requirements are expected and may imply higher costs for the food industry. In particular the ability to trace products through all stages of development, certification and documentation are becoming major components in food safety requirements. Further, limitations on additives and use of medical products in the farmed salmon and trout industry may be imposed. In addition, increased quality demands from authorities in the future relating to the food safety may also have a material adverse effect on the business, financial condition, results of operations or cash flow of the Group.

The Group is subject to ongoing risks of legal and regulatory claims which may affect the Group's business and operations

In the ordinary course of its business, the Group is subject to regulatory oversight and liability risk. Regulation and regulatory requirements are continually amended and new requirements are imposed on the Group, including, but not limited to, regulations on conduct of business, anti-money laundering, payments, reporting and corporate governance. Litigation and disputes in this regard may potentially affect the Company when performing its business. However, it cannot be ruled out that material litigations, disputes or regulatory investigations may occur in the future and the Group may in the future be involved in one or more litigations. Any involvement in litigations and disputes, whether as a defendant or plaintiff, may affect the Group negatively.

Claims and legal proceedings may expose the Group to monetary damages, direct or indirect costs, direct or indirect financial loss, civil and criminal penalties, loss of concessions or other authorisations, or loss of reputation, as well as the potential for regulatory restrictions on its businesses, all of which could have a material adverse effect on the Group's business, earnings and financial position. Claims against the Group, regardless of merit, could subject it to costly litigation or proceedings and divert its management from their regular responsibilities. If any of the foregoing occurs, it may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

If any part of the Group's business is moved outside of its current operative jurisdictions its overall tax exposure will change, which may affect its alleged compliance with applicable tax law, hence its profitability

The Company and its Subsidiary are both incorporated in Chile. The overall tax charge is dependent on where profits are accumulated and taxed, whereas different countries have different tax systems and tax rates. Different jurisdictions have different legal systems with different laws for tax residency, tax credits and tax exemption rules. If the Group moves some of its operations into a new jurisdiction or acquire companies in jurisdictions in which it does not already operate, the overall tax charge of the Group will be affected. Further, the Group will also become exposed to changes of tax policies and amendments of tax legislations, proactively and/or retroactively, in all these jurisdictions.

Tax authorities are not bound by the Group's judgement and there can be no assurance that they will agree with it. If the relevant tax authority is of a different opinion and challenges the Group's perception, losses and increasing tax charges may materialise. This is not only topical for the Group's current situation, but also in the future if the Group expands its operations and establishes entities outside of its current operative jurisdictions.

The Company's financial statements are from the Listing subject to both Chilean regulatory requirements and the requirements applicable for companies listed on the Oslo Stock Exchange, and may be subject to review by the relevant authorities and potential change

From the time of Listing, the Company intends to prepare its financial statements both in accordance with Chilean regulatory requirements and the requirements applicable for companies listed on the Oslo Stock Exchange. In this regard, the Company has prepared a comparison between application of the fair value valuation model of biological assets used in Chile compared to the market practice in Norway. For the purpose of complying with rules and guidelines set out by the Norwegian FSA, the Company has developed a valuation model that incorporates the recommendation from the Norwegian FSA in notes to its financial statements. The Company has been given indications that providing additional information in notes might not be considered sufficient and as such may be the subject for a control of the financial information by the NFSA, with a potential resolution to change the financial statements. Also other items in the financial statements may be subject to review by the relevant authorities, and potential change.

2.5 Risks related to the Listing and the Shares

The Company will incur increased costs as a result of being a publicly traded corporation

As a publicly traded corporation with its shares listed on the Santiago Stock Exchange and the Shares on the Oslo Stock Exchange, the Company will be required to comply with the reporting and disclosure requirements and with corporate governance requirements applicable for companies listed on the Santiago Stock Exchange and the Oslo Stock Exchange as either set out in the Code of Practice (as defined below) or similar corporate governance guidelines under Chilean law. The Company will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations. The Company anticipates that its incremental general and administrative expenses as a publicly traded corporation will include, among other things, costs associated with annual and quarterly reports to Shareholders, general meetings of shareholders, investor relations, incremental director and officer liability insurance costs and officer and director compensation. Any such increased costs, individually or in the aggregate, could have an adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Selling Shareholder will remain the largest shareholder of the Company at completion of the Offering and will have significant voting power and the ability to influence matters requiring shareholder approval

Following completion of the Offering, it is expected that the Selling Shareholder will remain the largest shareholder of the Company and will, accordingly, continue to have a majority of the shareholder vote, thereby having the ability to significantly influence the outcome of matters submitted for the vote of the Company's shareholders, including the election of members of the Board of Directors. The commercial goals of Compañía Pesquera (the Selling Shareholder) as a shareholder, and those of the Group, may not always be aligned and this concentration of ownership may not always be in the best interest of the Company's other shareholders. For example, the Selling Shareholder could delay, defer or prevent a change of control, impede a merger, deny a potential future equity offering, consolidation, takeover or other business combinations involving the Group, or discourage a potential acquirer from attempting to obtain control of the Group. In addition, certain of the Company's agreements require either the Selling Shareholder to continue holding certain percentages of shareholdings in the Group or Cifuentes and/or Fernandez families to continue holding certain percentages of indirect shareholdings in the Company. For example, this applies to the change of control provisions in the Revolving Credit Facility. Although it is expected that the Selling Shareholder will remain the major shareholder of the Company after the Offering, and the Cifuentes and Fernandez families will remain the major shareholders of the Selling Shareholder BW Group, no assurance can be given that this will continue on a permanent

basis. If the Selling Shareholder no longer were a major shareholder of the Company (or if the Cifuentes and Fernandez families no longer holds a controlling interest in the Selling Shareholder), or if its commercial goals were not in the best interest of the Group, this could have a material adverse effect on the market value of the Shares.

The price of the Shares could fluctuate significantly

The trading volume and price of the Shares could fluctuate significantly. Securities markets in general have been volatile in the past. Some of the factors that could negatively affect the Share price or result in fluctuations in the price or trading volume of the Shares include, for example, changes in the Company's actual or projected results of operations or those of its competitors, changes in earnings projections or failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the strategy described in this Prospectus, as well as the evaluation of the related risks, changes in general economic conditions, changes in shareholders and other factors. This volatility has had a significant impact on the market price of securities issued by many companies. Those changes may occur without regard to the operating performance of these companies. The price of the Shares may therefore fluctuate based upon factors that are not specific to the Company, and these fluctuations may materially affect the price of the Shares.

Future sales, or the possibility for future sales, including by the Selling Shareholder, of substantial numbers of Shares could affect the market price of the Shares

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on the market price of the Shares. Sales of substantial amounts of the Shares in the public market following the Offering, including by the Selling Shareholder (which, following the Offering, is expected to hold minimum 67% of the Shares, assuming that the final Offer Price is set at mid-point of the Indicative Price Range), or the perception that such sales could occur, could adversely affect the market price of the Shares, making it more difficult for Shareholders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate. As of the date of this Prospectus, the Selling Shareholder is subject to an agreement with the Managers that, subject to certain conditions and exceptions, restrict its ability to sell or transfer their Shares for a period of 12 months after the date of the Placing Agreement. The representatives of the Managers may, in their sole discretion and at any time, waive the restrictions on sales or transfer during this period. Additionally, following this period, all Shares owned by the Selling Shareholder will be eligible for sale or other transfer in the public market, subject to applicable securities laws restrictions and the applicable limitations for such sell-down pursuant to the Revolving Credit Facility.

Future issuances of Shares or other securities could dilute the holdings of shareholders and could materially affect the price of the Shares

The Company may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities, regulatory requirements or expenses or for any other purposes. There is no assurance that the Company will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If the Company raises additional funds by issuing additional equity securities, holdings and voting interests of existing shareholders could be diluted and the market price of the Shares could be affected in a material adverse manner.

The transfer of Shares and their underlying assets is subject to restrictions under the securities laws of the United States and other jurisdictions

The Shares or underlying assets have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside Chile and are not expected to be registered in the future. As such, the Shares or underlying assets may not be offered or sold except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws. See Section 20 "Selling and Transfer Restrictions". In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases.

Investors could be unable to recover losses in civil proceedings in jurisdictions other than Chile and Norway

The Company is a publicly held corporation organized under the laws of Chile. The Directors reside in Chile and Norway and the members of the Management reside in Chile. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Chilean or non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

Chilean law could limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Chilean law and by the Bylaws. These rights may differ from the rights of shareholders in other jurisdictions. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK

The Shares will be priced and traded in NOK on the Oslo Stock Exchange and any future payments of dividends on the Shares will be denominated in NOK. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will, however, receive dividends by check in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of DNB Bank ASA ("**DNB**"), being the Company's VPS registrar (the "**VPS Registrar**"), to issue a check in a local currency, a check will be issued in USD. The issuing and mailing of checks will be executed in accordance with the standard procedures of DNB. The exchange rate(s) that is applied will be DNB's rate on the date of issuance. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

Market yield rates could influence the price of the Shares

One of the factors that could influence the price of the Shares is its annual dividend yield as compared to yields on other financial instruments. Thus, an increase in market interest rates will result in higher yields on other financial instruments, which could adversely affect the price of the Shares.

Chilean tax legislation and the tax treatment of the Shares for non-Chilean shareholders is highly complex and not expressly regulated by Chilean tax law

Prospect shareholders are advised to consult with and rely upon their own tax advisors with respect to their investment in the Company. There are no guarantee that the Shares will qualify for the Chilean tax treatment of so-called American Depositary Receipts or that Chilean tax exemptions provided for actively traded shares will be available, which may entail adverse Chilean tax consequences for non-Chilean shareholders. Non-Chilean shareholders may also be required to file an annual Chilean tax return with the Chilean IRS irrespective of the number of Shares held in the Company and the ownership period of such Shares.

Risks related to the registration of the Shares in the VPS and the Registrar Agreement

In connection with the Company's listing of the Shares on the Oslo Stock Exchange, the Company has established a facility for the registration of the Shares in the VPS. The Company has appointed DNB as its VPS Registrar in the VPS in accordance with the Registrar Agreement (as defined below). The VPS Registrar will be deemed a beneficial shareholder through a nominee arrangement with its nominee in Chile (the "**Chilean Custodian**"), where the Chilean Custodian is recorded as the shareholder in the Company's shareholders register. The VPS Registrar has registered the Shares in the VPS which following such registration reflects the beneficial shareholders, personally or through nominee registrations. Shareholders must exercise their organisational and economic rights through the VPS Registrar which in turn will instruct the Chilean Custodian. In order to exercise full shareholder rights, the Shareholders must transfer their holding in the VPS to a registered holding of shares in the Company's shareholders register. The Company cannot guarantee that the VPS Registrar will be able to execute its obligations under the Registrar Agreement. Any such failure may, *inter alia*, limit the access for, or prevent, investors from exercising their organisational or economic rights attached to the underlying shares. The VPS Registrar may terminate the Registrar Agreement pursuant to a prior written notice of termination. Furthermore, the VPS Registrar may terminate the Registrar Agreement with immediate effect if the Company does not fulfil its payment obligations to the VPS Registrar or commits any other material breach of the Registrar Agreement. In the event of a termination of the Registrar Agreement, there can be no assurance that it would be possible for the Company to enter into a new registrar agreement on substantially the same terms or at all. A termination of the Registrar Agreement could, therefore, materially and adversely affect the Company and the Shareholders. The VPS Registrar disclaims any liability for any loss attributable to circumstances beyond the VPS Registrar's control, including, but not limited to, errors committed by others. The VPS Registrar is liable for direct losses incurred as a result of the VPS Registrar's breach of contract. Accordingly, the Company and the Shareholders may not be able to recover its entire loss if the VPS Registrar does not perform its obligations under the Registrar Agreement.

Shareholders are not able to exercise direct shareholder rights. As nominee for the Shareholders, the Chilean Custodian will be the registered shareholder in the Company's shareholder register and the Shareholders may only exercise their rights with respect to the shares in accordance with the terms and conditions set out in this Prospectus. There are no provisions under Chilean law or under the Company's Bylaws that limit the Shareholders' in exercising their rights in respect of the Shares through the VPS Registrar. In order to exercise their rights, Shareholders must instruct the VPS Registrar to as to voting the shares represented by their Shares. Due to these procedural steps involving the VPS Registrar, the process for exercising voting rights may take longer for the Shareholders.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Offering described herein and the Listing of the Shares on the Oslo Stock Exchange.

The Board of Directors of Salmones Camanchaca S.A. accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

24 January 2018

The Board of Directors of Salmones Camanchaca S.A.

Ricardo García Holtz
Chairman

Jorge Fernández Valdés
Director

Francisco de Borja Cifuentes Correa
Director

Felipe Sandoval Precht
Director

Tore Valderhaug
Director

4 GENERAL INFORMATION

4.1 Other important investor information

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, significant new circumstances, material errors or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors of the Offer Shares between the time of approval of this Prospectus by the Norwegian Financial Supervisory Authority of Norway and the listing of the Offer Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Share, shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company, the Selling Shareholder or the Managers or by any of the affiliates, representatives, advisers or selling agents of any of the foregoing.

The Company has furnished the information in this Prospectus. No representation or warranty, express or implied, is made by the Managers as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. The Managers assume no responsibility for the accuracy or completeness or the verification of this Prospectus and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

Neither the Company, the Selling Shareholder or the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation, express or implied, to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. See Section 2 "Risk Factors" beginning on page 17.

In connection with the Offering, each of the Managers and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Managers or any of their respective affiliates acting in such capacity. None of the Managers intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Managers (or their affiliates) may from time to time acquire, hold or dispose of Shares.

4.2 Presentation of financial and other information

4.2.1 Financial information

The Company's audited financial statements as at and for the years ended 31 December 2016, 2015 and 2014 (hereinafter jointly referred to as the "**Financial Statements**"), included in Appendix B to this Prospectus, have been prepared in accordance with the International Financial Reporting Standards, as adopted by the Institute of Accounts of Chile (Colegio de Contadores de Chile, the "**CCCH**") ("**IFRS**"). The Company's unaudited interim financial information as at and for the three and nine month periods ended 30 September 2017 (with comparable figures for the same period of 2016) (hereinafter jointly referred to as the "**Interim Financial Information**"), included in Appendix C to this Prospectus, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**"). The Financial Statements and the Interim Financial Information are hereinafter jointly referred to as the "**Historical Financial information**".

The Financial Statements have been audited by PricewaterhouseCoopers Consultores Auditores SpA ("**PwC**"), as set forth in their auditor's report included herein. The Interim Financial Information has not been audited.

The Company present the Financial Statements and the Interim Financial Information in USD (functional and presentation currency).

4.2.2 *Alternative performance measures*

To enhance the understanding of Salmones' performance, the Company has presented a number of alternative performance measures ("**APMs**") in this Prospectus. An APM is defined by ESMA guidelines as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the relevant accounting rules (IFRS).

It is the Company's view that the APMs provides the investors relevant and specific operating figures which may enhance their understanding of the Company's performance. The Company uses the following APMs:

- **EBIT:** is defined as earnings (loss) from operations for the period before interest, or "finance costs", and taxation, unusual loss, biological assets fair value adjustments and other items on the Company's financial statements that the Company believes do not reflect the ongoing operations.
- **EBITDA:** is defined as earnings (loss) from operations for the period before interest, or "finance costs", taxation, depreciation, amortization, unusual loss, biological assets fair value adjustments and other items on the financial statements that the Company believes do not reflect the ongoing operations.

APMs are presented because the Company believes that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The Company also presents these measures because they eliminate the effect of certain non-cash and cash items that are not directly related to the Company's underlying operational performance, and, in Management's view, provide a useful basis for assessing trends in the operational performance over time. The APMs listed above and similar APMs are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Investors should exercise caution in comparing the APMs reported by the Company to similar APMs of other companies. The information presented by use of APMs is unaudited and has not been prepared in accordance with IFRS or any other accounting standards.

The APMs presented by the Company have limitations as analytical tools, and investors should not consider them in isolation. Some of these limitations include:

- (i) they exclude certain tax payments that may represent a reduction in cash available to the Company;
- (ii) they do not reflect the Company's cash expenditures or future requirements for capital expenditures or contractual commitments;
- (iii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and EBIT and EBITDA do not reflect any cash requirements that would be required for such replacements;
- (iv) they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on debt;
- (v) some of the unusual or non-operational items that the Company eliminates in calculating EBIT and EBITDA reflect cash payments that were made, or will be made in the future and those items may recur in future periods; and
- (vi) other companies in the industry may calculate EBIT and EBITDA differently than Salmones, which limits their usefulness as comparative measures.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of the Company's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The APMs financial measures presented herein may not be indicative of the Company's historical operating results, nor are such measures meant to be predictive of the Company's future results. The Company believes that the APMs measures presented herein are commonly reported by companies in the markets in

which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortization and impairment, which can vary significantly depending upon accounting measures (particular when acquisitions have occurred), business practice or based on non-operating factors. Accordingly, the Company discloses the APMs financial measures presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies across periods, and of the Company's ability to service its debt. Because companies calculate the APMs financial measures presented herein differently, the Company's presentation of these APMs financial measures may not be comparable to similarly titled measures used by other companies.

4.2.3 *Industry and market data*

In this Prospectus, the Company has used industry and market data obtained from independent industry publications, market research, including from the Food and Agriculture Organization of the United Nations (the "FAO")² and Kontali Analyse ("Kontali"),³ and other publicly available information. While the Company has compiled, extracted and reproduced industry and market data from external sources, the Company has not independently verified the correctness of such data. The Company cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified, however, source references to websites shall not be deemed as incorporated by reference to this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk Factors" and elsewhere in this Prospectus.

4.2.4 *Other information*

In this Prospectus, all references to "NOK" are to the lawful currency of Norway, "USD" are to the lawful currency of the United States, all references to "CLP" are to the lawful currency of Chile, all references to "GBP" are to the lawful currency of the UK, all references to "EUR" are to the lawful common currency of the member states of the European Union (the "EU") who have adopted the euro as their sole national currency, and all references to "CAD" are to the lawful currency of Canada.

4.2.5 *Rounding*

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

² Information from this source in the Prospectus is available at www.fao.org.

³ Information from this source in the Prospectus is available at <http://www.kontali.no>.

4.3 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear in the following Sections in this Prospectus, Section 7 "Industry and Market Overview", Section 8 "Business of the Group" and Section 11 "Operating and Financial Review", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Company, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Company's future business development and financial performance, and the industry in which the Company operates, such as, but not limited to, with respect to the Group's expansion in existing and into new markets.

Prospective investors are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested, by the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to:

- the competitive nature of the business the Group operates in and the pressure and changes to the competitive environment in general;
- earnings, cash flow, dividends and other expected financial results and conditions;
- technological changes and new products and services introduced into the Group's market and industry;
- fluctuations of exchange rates;
- changes in general economic and industry conditions;
- political, governmental, social, legal and regulatory changes;
- dependence on and changes in Management and failure to retain and attract a sufficient number of skilled personnel;
- access to funding; and
- legal proceedings.

Some of the risks that could affect the Company's future results and could cause results to differ materially both upwards and downwards from those expressed in the forward-looking statements are discussed in Section 2 "Risk Factors".

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Company's business, financial condition, results of operations, cash flows, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular, Section 2 "Risk Factors" for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

4.4 Exchange rates

The following table sets forth, for the periods indicated, information regarding the average NOK exchange rate against USD and EUR, in each case rounded to the nearest four decimal places, based on the average monthly exchange rate announced by Norges Bank (the Norwegian Central Bank).

	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017	2016	2017	2016	2016	2015	2014
USD ¹	7.9634	8.3220	8.3067	8.4087	8.3987	8.0739	6.3019
EUR ¹	9.3488	9.2897	9.2341	9.3785	9.2899	8.9530	8.3534

¹ Source: Average figures Norgesbank.no.

5 REASONS FOR THE OFFERING AND THE LISTING

Despite environmental conditions and other natural occurrences, such as the outbreak of diseases harmful for the salmon farming industry, over the last few years which have faced the salmon farming industry with significant challenges, the industry and Chile in particular, has experienced a rapid production and harvesting growth since 2011 driven by increased market prices. In addition, there are key circumstances in the industry particularly affecting the Salmones Group, including, *inter alia*, regulatory initiatives that are expected to improve the biological situation for the Company's farming and harvesting operations, and result in annual long-term supply growth (see Sections 7.3.4 "Chilean regulations", 8.12 "Regulation of fish farming in Chile" and 11.3 "Recent developments and trends").

Further, as a result of the Refinancing (as defined below), the Company has been able to refinance existing debt and position itself for further growth and a higher degree of flexibility in the utilisation of the Company's resources.

As a result of this, the Company has been evaluating measures to address potential future growth opportunities and to secure a stable long-term financial platform in the capital market. On this background, the Company will apply for the Listing of its Shares on the Oslo Stock Exchange. The Company believes that the Offering and the Listing will:

- (i) enable access to specialised equity capital markets to fund further growth;
- (ii) enable the Company to utilise expansion opportunities and to implement its investment plan;
- (iii) enhance the Company's financial position;
- (iv) enhance the Company's profile with investors, business partners, vendors and customers; and
- (v) enable the Selling Shareholder to partially monetise its shareholding, and allowing for a liquid market for the Shares going forward.

The gross proceeds from the sale of the New Shares in the Offering are expected to amount to approximately USD 45 to 57 million (approximately NOK 354 to 441 million) and net proceeds of approximately USD 42 to 54 million (approximately NOK 331 to 418 million), based on estimated total transaction costs of approximately USD 3 million (approximately NOK 23) related to the New Shares and all other directly attributable costs in connection with the Listing and the Offering to be paid by the Company.

The Company intends to use the net proceeds from the Offering (approximately USD 42 - 54 million (approximately NOK 331 - 418 million)) to finance its investment and growth plans as further described in Section 11.6.1 "Principal Investments in progress and planned principal investments" and for general working capital purposes, meaning additional capital to fund the Company's business purposes.

The Company will not receive any proceeds from the sale of Sale Shares by the Selling Shareholder. All directly attributable costs in connection with the sale of the Sale Shares will be paid by the Selling Shareholder.

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Dividend policy

The Company's objective is to generate competitive long-term total shareholder returns. This return will be achieved through sustainable growth and stable dividend payments. The dividend amount to be paid will be approved and evaluated by the General Shareholders' Meeting (as defined below) on an annual basis. The Bylaws provides that at least an amount equal to 30% of the Company's annual net profit shall be distributed as cash dividend.

In deciding whether to distribute dividend and in determining its amount, the Board of Directors will consider applicable legal restrictions, as set out in Section 6.2 "Legal constraints on the distribution of dividends". The Company is not bound by any capital requirements, including capital expenditure requirements nor does any of the Group's contractual arrangements place any restrictions on the Company's ability to pay dividends.

The first potential distribution of dividends will be payable in 2018. There can be no assurance that a dividend will be proposed or approved in any given year.

From its incorporation in 2009, the Company has been part of the Camanchaca Group (as defined below) where all dividends paid by Compañía Pesquera have been based on consolidated financial statements. Accordingly, the Company has not directly distributed dividends for the financial years ended 31 December 2016, 2015 and 2014, respectively.

6.2 Legal constraints on the distribution of dividends

A Chilean publicly held corporation may only distribute dividends based exclusively on the company's annual net profit or on the undistributed profit, if any. Notwithstanding the foregoing, Chilean publicly held corporations that have incurred accumulated losses are required by Chilean law to absorb and cover these losses before any dividends are distributed. A Chilean company's annual loss will primarily be absorbed by the company's retained earnings, if any.

Chilean publicly held corporations are required by Chilean law to distribute at least 30% of the corporation's consolidated annual net profits. Such requirement can be waived at the Company's respective general shareholders' meeting subject to the unanimous vote of the issued and subscribed shares eligible to vote. In any case, the board of directors of a Chilean publicly held corporation may, under the personal liability of the directors who concur in the respective agreement, distribute interim dividends of the annual profits thereof, provided there are not accumulated losses.

The Board of Directors may in the future be required to take into account certain financial covenants which may affect the dividend amount to be distributed. However, in no event may such covenants affect the obligation of the General Shareholders' Meeting (as defined below) to distribute an amount equal to a minimum of 30% of the Company's consolidated annual net profit.

6.3 Manner of dividend payments

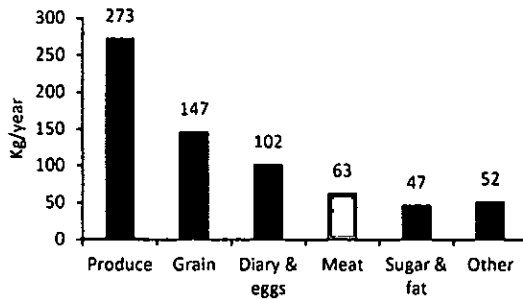
Although any future payments of dividends on the Shares will be declared and denominated in USD, such dividends will be distributed through the VPS in NOK. Any dividend will be paid to the shareholders through the VPS provided that the shareholder is registered in the VPS. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account, will receive dividends by check in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of DNB, being the Company's VPS registrar, to issue a check in a local currency, a check will be issued in USD. Shareholders not registered in the VPS will receive dividends by check in USD. The issuing and mailing of checks will be executed in accordance with the standard procedures of DNB, Foreign Payments Department. The exchange rate(s) that is applied will be DNB's rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders' NOK accounts, or in lieu of such registered NOK account, by check, without the need for shareholders to present documentation proving their ownership of the Shares.

7 INDUSTRY AND MARKET OVERVIEW

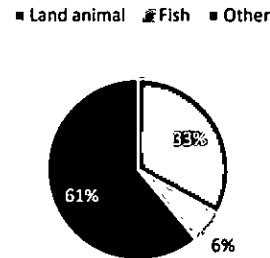
7.1 Global fish consumption

According to the FAO, global consumption of meat per capita (including seafood, poultry, pork, beef and other meat) almost doubled in the period between 1963 and 2011 and represented approximately 10% of the average human's total food consumption in 2011. Fish has represented an important share of this increase. However, it composed only 6% of the total human protein consumption in 2013, while land animals (mainly pork, poultry and beef) made up approximately one third. This is despite that the world's surface is covered by 70% ocean and 30% land. In 2016, the production of animal proteins from Atlantic salmon was approximately 2.2 million tonnes (Whole Fish Equivalent, or "WFE"), compared to pork, poultry and beef at 118, 115 and 69 million tonnes (Carcass Weight Equivalent, or "CWE"), respectively.

Average food consumption per capita (2011)



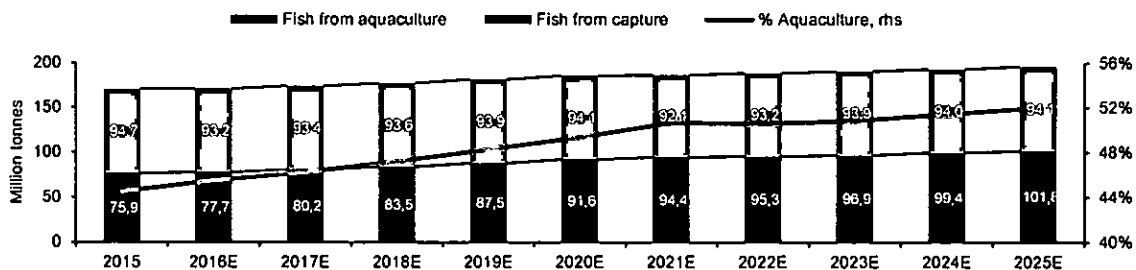
Share of human protein consumption (2013)



Sources: Left figure: FAO/National Geographic, <https://www.nationalgeographic.com/what-the-world-eats/>, (October 2017).
Right figure: FAO (2013), *FAO stat Food Balance Sheets*

The FAO estimates that fish consumption per capita will rise from 20.4 kg in 2016 to 21.6 kg in 2026, and a significant portion of this growth is expected to come from aquaculture products. While fish from wild catch is expected to remain flat in this period according to the FAO, fish from aquaculture is forecasted to grow at a compound annual growth rate ("CAGR") of approximately 2.6%. This will grow aquaculture's share of total fish supply from approximately 46% in 2016 to approximately 53% in 2026. Salmonids represent a minor seafood category which accounted for only 4.4% of the global seafood supply in 2015, and includes the following species: Atlantic salmon, small trout, Chum, Pink, large trout, Sockeye, Coho and Chinook. Atlantic salmon is the largest specie. Wild catch of salmonids has ranged between approximately 775,000 and 1.1 million tonnes (WFE) between 2005 and 2016, while the amount of farmed salmon has grown from approximately 1.3 million tonnes WFE to approximately 2.4 million tonnes WFE during the same period.

Global fish consumption

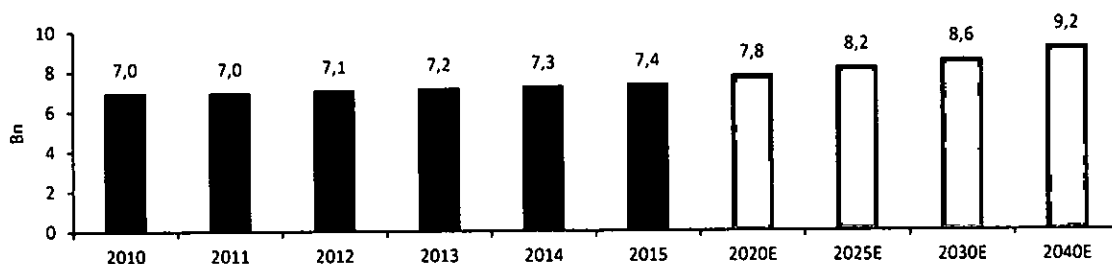


Source: Organization for Economic Co-operation and Development (OECD)/FAO (2017), *OECD-FAO Agricultural Outlook 2017 - 2026*

According to Kontali, fish from aquaculture will grow faster than any other main source of animal protein, with a 2014 – 2024E supply CAGR of 2.8%. Salmon farming is expected to play an important role in this development.

7.1.1 Population growth

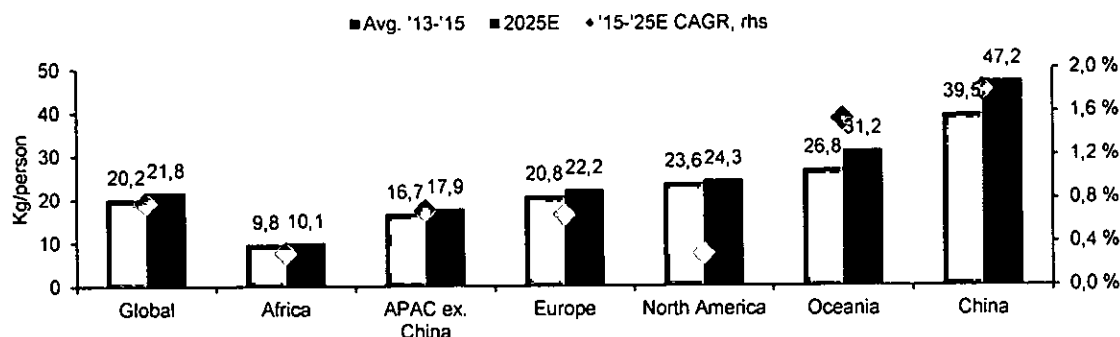
Estimates made by the United Nations indicate that the world population will reach 8.6 billion within 2030. A rising population gives increased demand for food and animal proteins, and due to scarcity of land resources more of this protein will have to come from the ocean.

World Population growth

Source: United Nations (2017), *World Population Prospects: The 2017 Revision*.

7.1.2 Increased fish consumption per capita

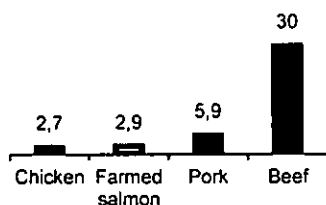
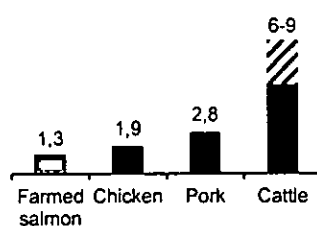
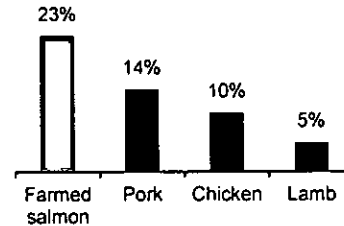
The FAO forecasts that the average consumption of fish per capita will increase from 20.4 kg in 2016 to 21.6 kg in 2026. The main demand driving market is expected to be China, where average consumption is estimated to surpass 50 kg in this period. A growing middle class in emerging markets is also expected to lead to increased consumption of high-quality proteins such as Atlantic salmon.

Annual fish consumption per person

Source: OECD/FAO (2017), *OECD-FAO Agricultural Outlook 2017-2026*

7.1.3 Sustainability

Salmon production offers high resource efficiency compared to protein production from the main land animals. For example, salmon yields 61 kg of edible meat per 100 kg of feed fed compared to 21 kg for poultry and 17 kg for pork, and an energy retention (measured as energy in edible parts divided by gross energy fed) of 23% which is significantly higher than pork and chicken. Moreover, it has a highly favourable feed conversion ratio which is the amount (kg) of feed needed to grow the body weight of the animal by one kg. The main reasons behind the high resource and protein efficiency are that (i) unlike land animals, salmon do not use energy to stand up and (ii) salmon are cold-blooded and thus do not use energy to heat their bodies. Salmon production is also less harmful for the environment compared to other protein sources, as it requires less CO₂ than pork and cattle and significantly less water than poultry, pork and cattle. For example, one kg of edible cattle meat requires 15,400 litres of water, almost eight times more than one kg of edible Atlantic salmon which requires 2,000 litres according to Marine Harvest.

Kg CO₂ per kg edible meat*Feed conversion ratio (kg)**Energy retention*

Source: Marine Harvest (2017), *Salmon Farming Industry Handbook*

7.1.4 Health benefits

Seafood in general is considered a healthy source of protein compared to meat from land animals. This is due to its low cholesterol content and, in fish with high fat content such as salmon, high levels of Omega 3 and fatty acids with scientifically proven health benefits. In addition, salmon is rich in D and B12 vitamins as well as minerals such as iodine and selenium. The U.S. Department of Health and the US Department of Agriculture recommend consuming at least 237 grams of seafood per week, and national health organisations in several other countries such as the UK and Norway recommend at least two fish meals per week.

7.1.5 Consumer trends

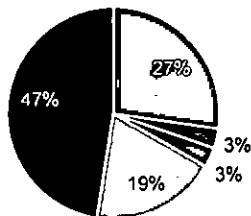
The increase in consumption of farmed salmon has been fuelled by trends in consumer behaviour. First, consumption of premium food products such as salmon is strongly linked to disposable income, and increasingly sophisticated consumers have driven demand for restaurant meals and ready-to-cook supermarket products. Second, sustainability and environmental friendliness has received more attention among consumers which has led both producers and retailers to focus more on sustainable production and transparency. The favourable characteristics compared to many other animal proteins related to e.g. animal welfare, resource efficiency and environmental impact highlights salmon as a good alternative for the consumer. Third, an increase in obesity and lifestyle diseases drives increased attention to the favourable health impacts of salmon compared to the alternative protein sources.

7.2 Demand

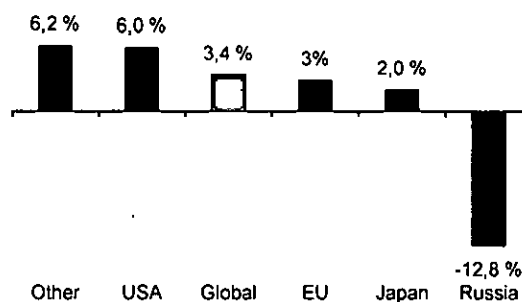
The largest end markets for Atlantic salmon are the EU, United States, Russia and Japan. Given salmon's freshness and limited shelf life, the fish produced in a given period will to a large extent be sold and consumed in the same period. The fastest growing markets have recently been the United States and emerging markets such as China, Brazil and Mexico. According to Kontali, the global market for Atlantic salmon has grown by a CAGR of 5.7% over the last 10 years. Trade patterns are largely driven by logistical costs and trade barriers.

Atlantic salmon consumption 2016 (tonnes WFE)

■ Other markets ■ Russia ■ Japan ■ USA ■ EU



2012 – 2018E CAGR (volume)

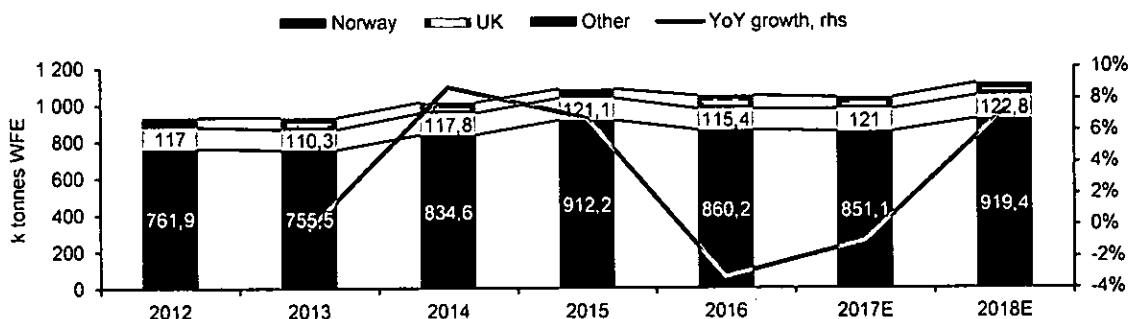


Source: Kontali (2017), *Farmed Atlantic Salmon - Monthly Update (September)*

7.2.1 The EU

The EU is the largest and most mature market for Atlantic salmon. Norway is the largest supplier to the EU with a market share of 82% in 2016, followed by the UK (11%) and Chile (5%). Kontali expects a 7% volume growth for 2018, after a decline of 4.3% from 2015 to 2017. Growth is highly dependent on the biological situation in Norway, which has recently been under pressure due to problems related to sea lice. Record high prices have also recently contributed to slightly weaker demand in certain European markets. The largest single markets in this region are France and Germany.

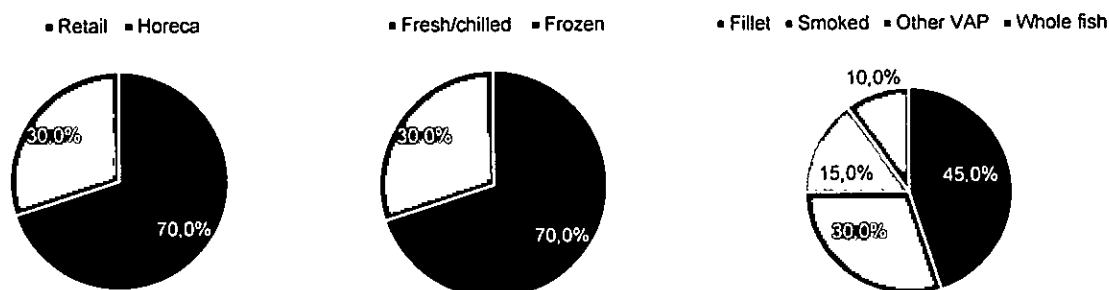
Atlantic salmon imports, EU



Source: Kontali (2017), *Farmed Atlantic Salmon - Monthly Update (September)*

The split between fresh/chilled and frozen secondary processed salmon to the EU in 2016 was 70% and 30%, respectively. Fillets made up 45% of the market for secondary processed products, followed by smoked (30%), other value-added products (15%) and whole fish (10%). 70% of the salmon was shipped to retail customers, while the remaining 30% was consumed by the HoReCa segment (hotels, restaurants and cafés). Among the largest markets in the EU are France, Germany and Poland. Demand for salmon in Europe tends to peak around Easter and Christmas, as there is particular strong demand for value-added products such as smoked salmon where Germany, France and Italy represent the largest markets. The seasonal uptick in demand around Christmas fits well with the production seasonality in the Northern hemisphere, as the period between July and September is the best growth period due to favourable sea water temperatures.

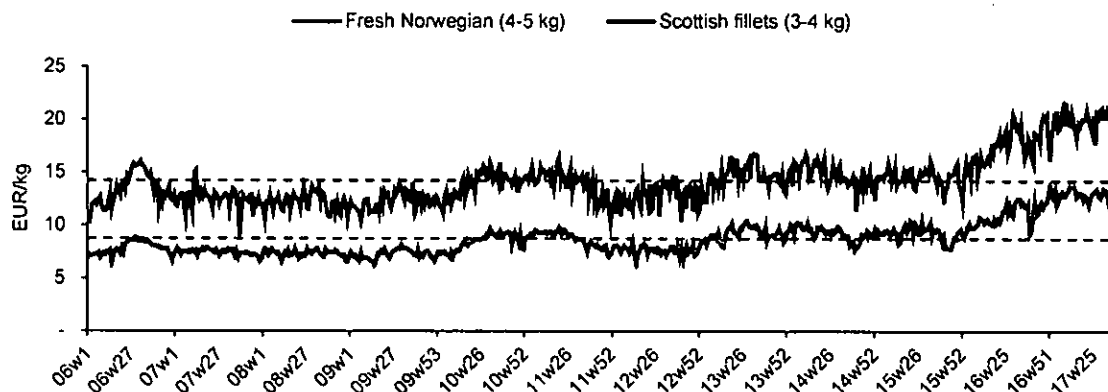
The EU market split in volume (2016)



Source: Marine Harvest (2017), *Salmon Farming Industry Handbook*

Wholesale prices from the Rungis-market in France for Norwegian fresh fish of 4-5 kg and Scottish fillets of 3-4 kg are plotted in the graph below. France represents the largest market for Atlantic salmon in the EU. As the graph illustrates, prices increased significantly during 2016 and 2017, before declining towards the end of 2017.

Weekly wholesale prices in France (week 1 2006 – week 38 2017)

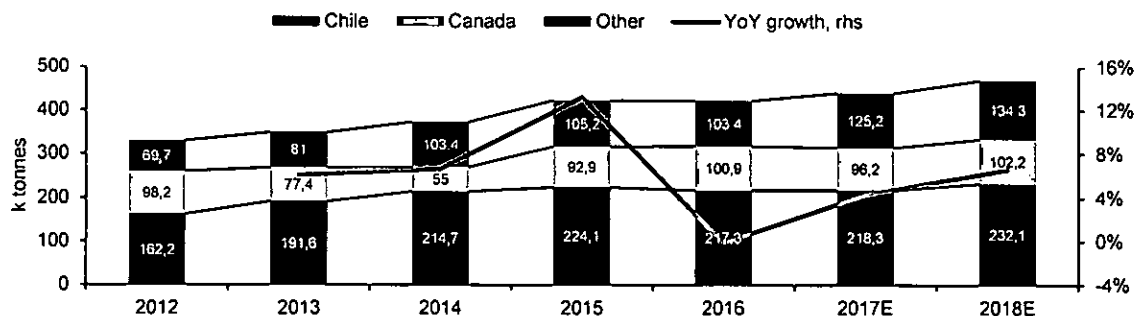


Source: Ministère de l'Agriculture et de la pêche (SNM)

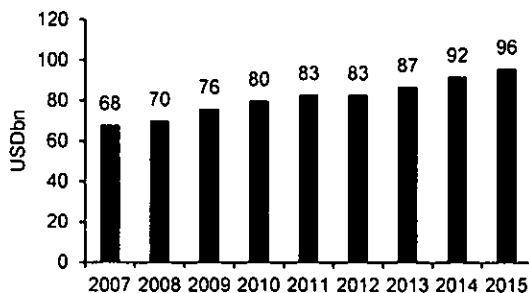
7.2.2 United States

The United States has shown a steady increase in the consumption of fishery products over the recent years, with a spending CAGR of 4.4% in the period between 2007 and 2015. In 2015, salmon represented the second largest specie in the United States seafood consumption after shrimp, with 2.9 pounds per capita. With a market share in 2016 of 52%, Chile is the main supplier to this market with Canada and Norway as the second and third largest, respectively. Kontali expects continued volume growth to the United States of 4% and 7% in 2017 and 2018, respectively, leading to a 2012 – 2018E CAGR of 6%.

Atlantic salmon imports, United States

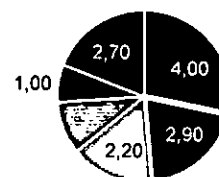
Source: Kontali (2017), *Farmed Atlantic Salmon - Monthly Update (September)*

US consumer spending on fishery products



US seafood consumption per capita (kg), top species (2015)

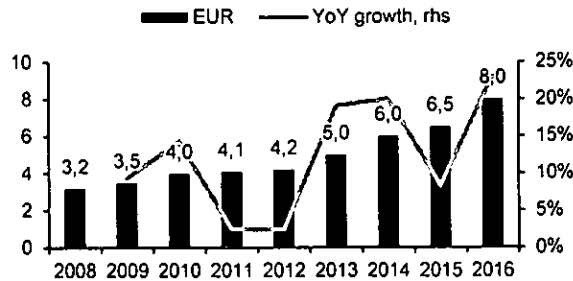
■ Shrimp ■ Salmon ■ Tuna ■ Tilapia ■ Alaskan Pollock ■ Other

Source: National Oceanic and Atmospheric Administration (NOAA, 2015), *Fisheries of the United States, 2015*

With a market size of more than 400 thousand tonnes as of 2016 according to Kontali, the United States is by far the world's largest market for salmon. While the total fish consumption per capita has remained relatively flat over the last ten years, per capita consumption of salmon has grown at a CAGR of 5% between 2008 and 2015 which is higher than any of the other largest species according to the National Oceanic and Atmospheric Administration (the "NOAA").

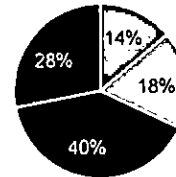
Despite this, the market is considered relatively immature as the estimated per capita salmon consumption in 2016 was only approximately 1.3 kg, compared to 2.5 kg in Germany and 3.1 kg in France during the same period. The largest product group with 40% of 2015 sales was natural fresh salmon, followed by natural frozen, prepared and smoked. Out of the 40% natural fresh, only 5% was so-called pre-packed and this share is expected to grow going forward in order to meet consumer preferences such as improved accessibility and convenience. The same trend has been seen in EU markets such as Germany, where pre-packed sales volumes increased from below 1,000 tonnes in 2012 to almost 7,000 tonnes in 2015 according to Marine Harvest.

Atlantic salmon consumption per capita, United States

Source: Kontali (2017), *Salmon Market Analysis 2017*

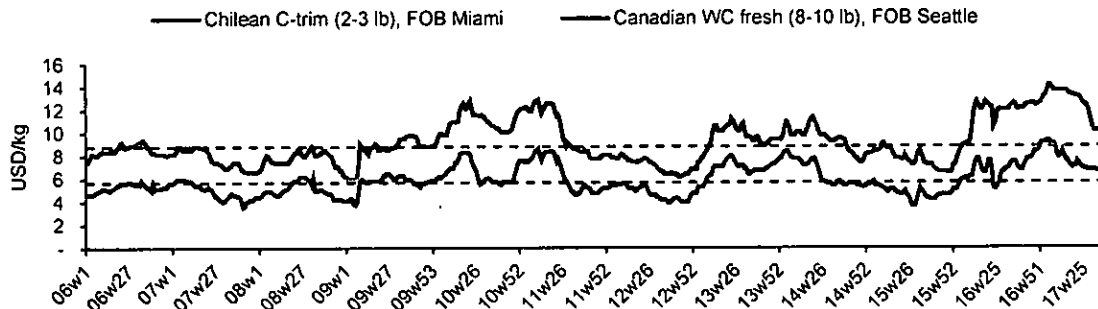
US salmon sales – approximately USD 2.5 billion (2015)

■ Smoked ■ Prepared ■ Natural fresh ■ Natural frozen

Source: Marine Harvest (2016), *Pre-packed potential in the US*

The graph below shows weekly import prices for Atlantic salmon from Chile and the Canadian west coast (WC) from week 1 in 2006 to week 38 in 2017. The Chilean price represents fillets of 2-3 pounds (approximately 0.9 – 1.4 kg) with skin on, while the Canadian price is for fresh whole fish of 8-10 pounds (approximately 3.6 – 4.5 kg). The average prices during the period have been around USD 8.8/kg and USD 5.7/kg, respectively.

Weekly US import prices (week 1 2006 – week 38 2017)

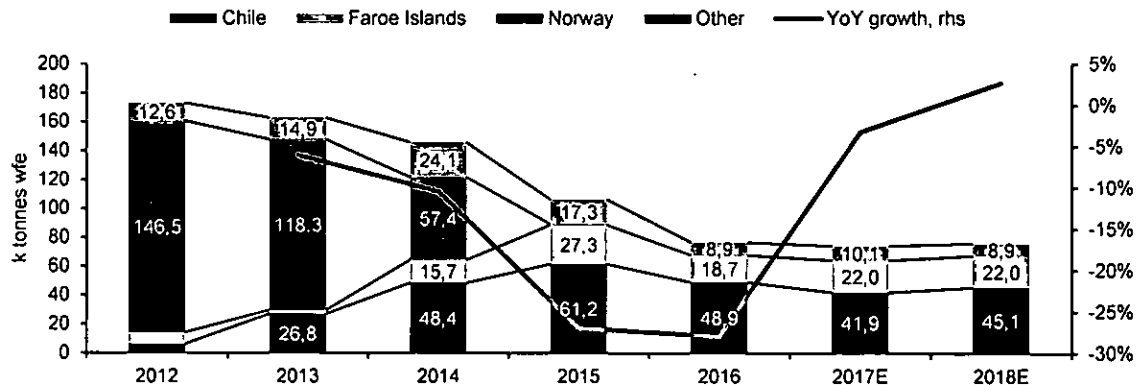


Source: Uner Barry

7.2.3 Russia

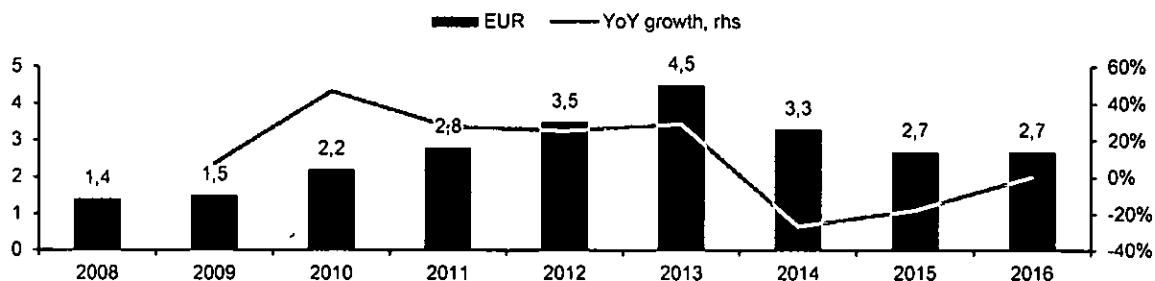
Russia has long been an important market for Atlantic salmon, and accounted for 3% of the consumption in 2016. Norway has historically been the largest supplier of Atlantic salmon to Russia, and had a market share as high as 85% in 2012. Following the implementation of the Russian import ban on food imports from the EU, the United States, Canada, Norway and Australia in 2014, Chile together with the Faroe Islands overtook Norway as the main supplier to the Russian market. However, the sanctions have led to a decrease in the market and consumption per capita was reduced by approximately 40% between 2013 and 2016 after an annual growth of 26% from 2008 to 2013. Going forward, Kontali estimates import volumes to stabilize around 2016 levels of approximately 75,000 tonnes WFE.

Atlantic salmon imports Russia



Source: Kontali (2017), Farmed Atlantic Salmon - Monthly Update (September)

Atlantic salmon consumption per capita, Russia

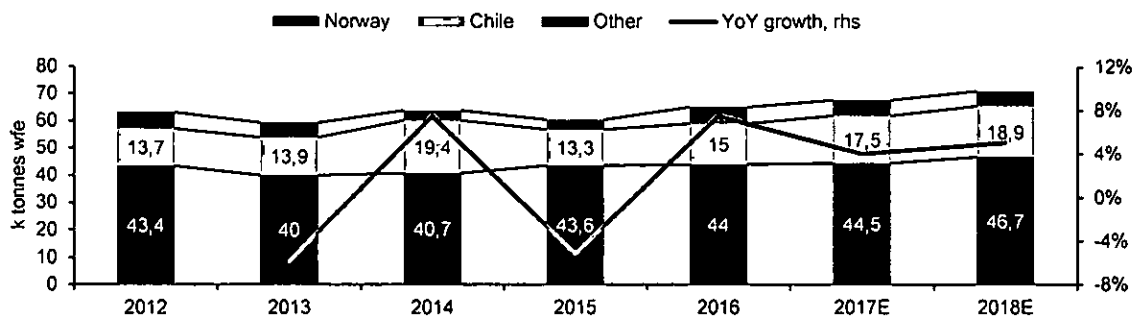


Source: Kontali (2017), Salmon Market Analysis 2017

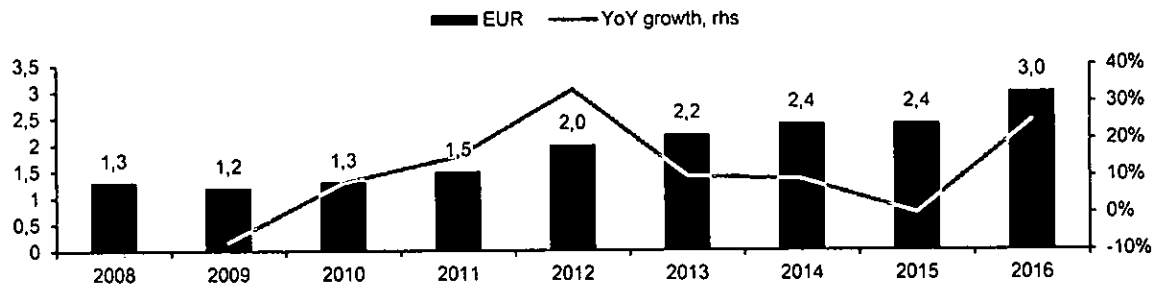
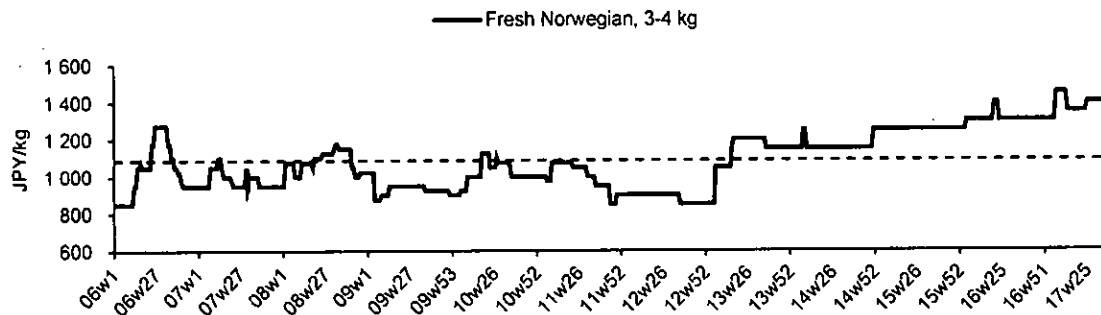
7.2.4 Japan

Japan has been a steadily growing market for Atlantic salmon over the last decade, with consumption per capita growing at a 2008 – 2016 CAGR of 11%. Salmon used in sushi has represented a large portion of the demand growth. The largest exporters of Atlantic salmon to Japan are Norway and Chile, with market shares in 2016 of 68% and 23%, respectively. Kontali estimates a growth in import volume of 4 – 5% for 2017 and 2018.

Atlantic salmon imports Japan



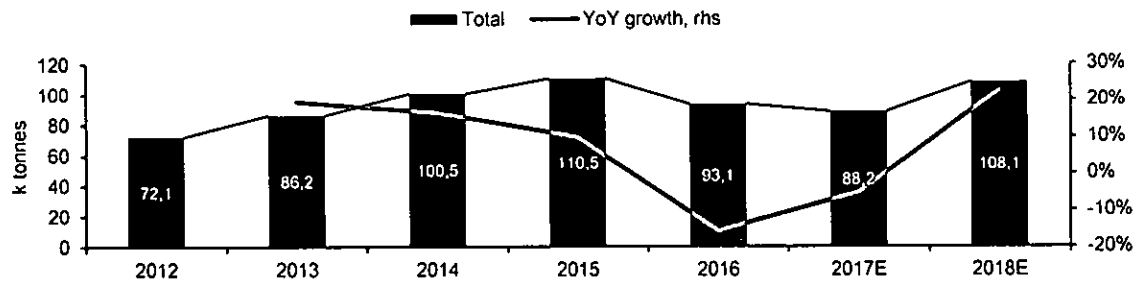
Source: Kontali (2017), Farmed Atlantic Salmon - Monthly Update (September)

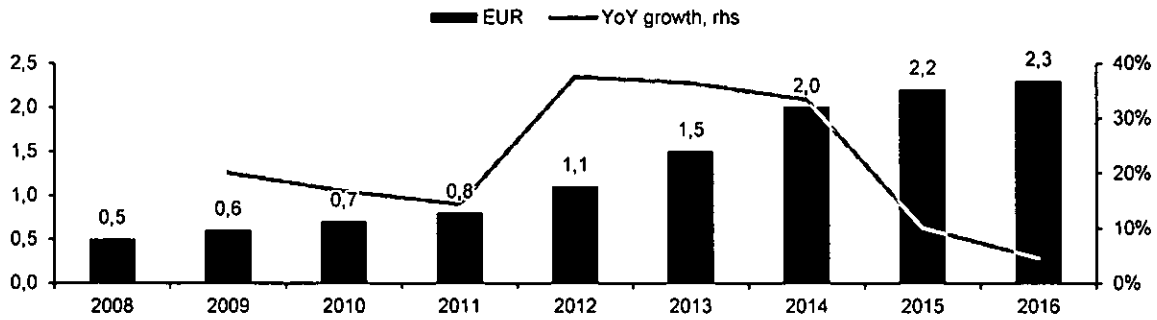
Atlantic salmon consumption per capita, JapanSource: Kontali (2017), *Salmon Market Analysis 2017**Weekly wholesale price (week 1 2016 – week 38 2017, Tsukiji Fish Market, Tokyo)*

Source: National Marine Fisheries Service (NMFS)

7.2.5 Brazil

With a consumption of approximately 93,000 tonnes, Brazil represented approximately 4% of the market for Atlantic salmon in 2016 and thus the seventh largest market. Due to its geographic location, it is served entirely by Chilean producers. The consumption of salmon in Brazil has increased rapidly over the recent years, with a 2008-2016 CAGR of 21% in spending per capita and a volume growth of approximately 29% between 2012 and 2016. Due to production in Chile, imports of Atlantic salmon to Brazil decreased by approximately 15% in 2016. Kontali expects a further decrease of 5% in 2017, followed by a sharp recovery up to volumes around 2015 levels in 2018.

Atlantic salmon imports, BrazilSource: Kontali (2017), *Farmed Atlantic Salmon - Monthly Update (September)*

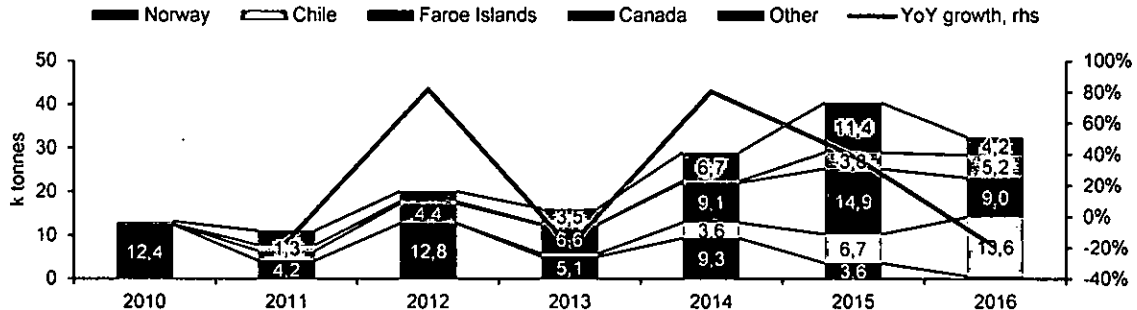
Atlantic salmon consumption per capita, Brazil

Source: Kontali (2017), *Salmon Market Analysis 2017*

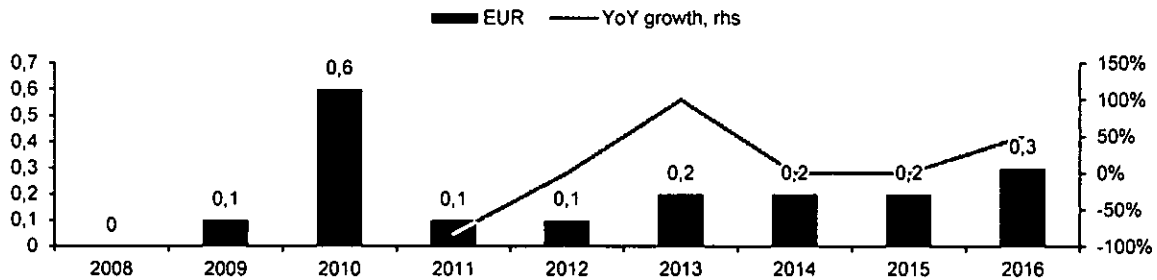
7.2.6 Other markets

Other markets represented approximately 23% of the consumption of Atlantic salmon in 2016. Chile and Norway had relatively equal market shares of around 35-40% in this category where China and Mexico are among the most important markets.

Like Russia, China has seen shifts in import routes due to political events in the recent years. Prior to 2010, Norway used to have a market share of Chinese salmon imports of around 90%. However, after the award of the Nobel Peace Prize to Liu Xiaobo in 2010, China responded by stalling the bilateral trade deal which caused a decline in imports from Norway. China has thus been forced to seek other markets for Atlantic salmon, making Chile and the Faroe Islands the largest suppliers in 2016 with market shares of around 42% and 28%, respectively. In terms of market penetration China represents a market with high growth potential, as consumption of salmon per capita in 2016 was only 0.04 kg compared to 1.3 kg in the United States and 2.5 kg in Germany according to statistics from Kontali.

Atlantic salmon imports, China

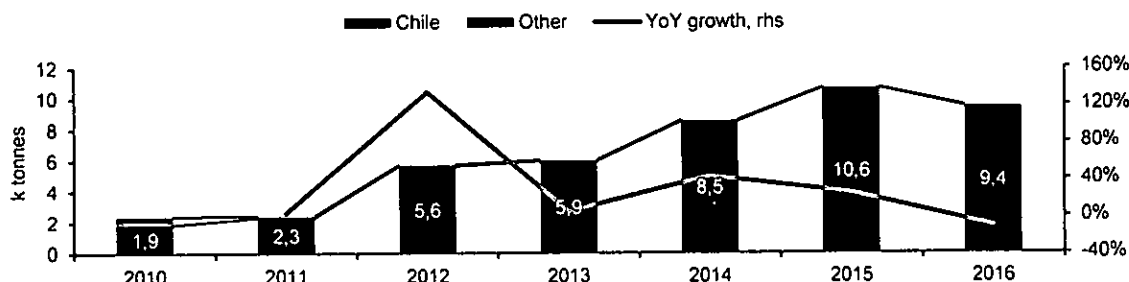
Source: DNB Markets, Statistics Norway, Undercurrent news, Quartz analysis (<https://www.theatlantic.com/charts/SyNfB-Bz->)

Atlantic salmon consumption of salmon per capita, China

Source: Kontali (2017), *Salmon Market Analysis 2017*

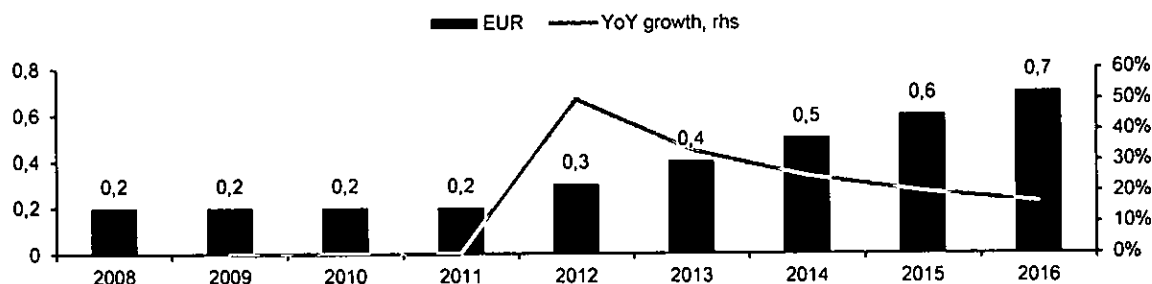
Mexico has the second largest economy in Latin America with more than 120 million inhabitants, and represents an important share of the market for Atlantic salmon in this continent. Spending per capita has grown at a CAGR of 17% from 2008 to 2016, and import volumes have grown from below 2,000 tonnes in 2010 to above 10,000 tonnes in 2015. Similar to Brazil, volumes dropped by approximately 11% in 2016 mainly due to reduced harvest in Chile.

Atlantic salmon imports, Mexico



Source: Kontali (2017), *Farmed Atlantic Salmon - Monthly Update (September)*

Atlantic salmon consumption of salmon per capita, Mexico



Source: Kontali (2017), *Salmon Market Analysis 2017*

7.3 Global supply

Atlantic salmon thrives in fjords with a temperature of 8-14 degrees Celsius and the right current conditions, which leaves a limited amount of areas suitable for salmon farming. The main countries for salmon production are Norway (54% of global supply in 2016), Chile (23%), the UK (7%), Canada (7%) and the Faroe Islands (4%). Global harvest declined by 6.7% in 2016 due to an algal bloom in Chile and challenges related to sea lice in Norway.

Harvest '000 tons WFE	2012	2013	2014	2015	2016	2017E	2018E
Norway	1,183	1,144	1,199	1,234	1,171	1,210	1,297
Chile	364	468	583	598	505	547	596
UK	159	158	171	166	157	174	176
Canada	137	115	95	135	143	138	146
Faroe Islands	70	73	83	76	78	81	83
Other	87	84	97	108	108	122	132
Total	2,000	2,042	2,228	2,317	2,162	2,272	2,430
% YoY growth		2.1%	9.1%	4.0%	-6.7%	5.1%	7.0%

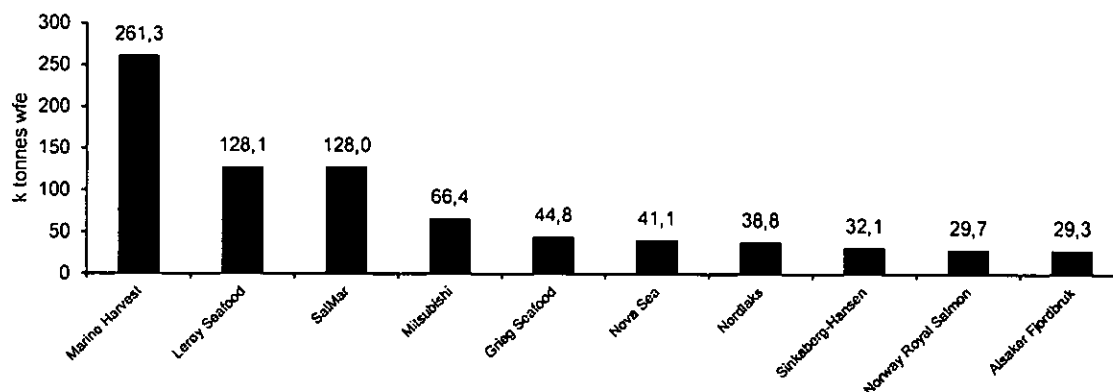
Source: Kontali (2017), *Farmed Atlantic Salmon - Monthly Update (September)*

7.3.1 Norway

The largest producers in Norway are Marine Harvest, Lerøy Seafood and SalMar, which made up approximately 44% of the total Norwegian harvest in 2016. The top 10 producers represented 69% of the total Norwegian 2016 harvest and 23 producers accounted for 80% of the Norwegian production. Most of the supply goes to the EU (73% in 2016), followed by Asia (of which Japan alone accounted for 4%) and the United States (5%). Based on year to date numbers as of November during the last three years from the Norwegian Seafood Council, Poland, France and Denmark

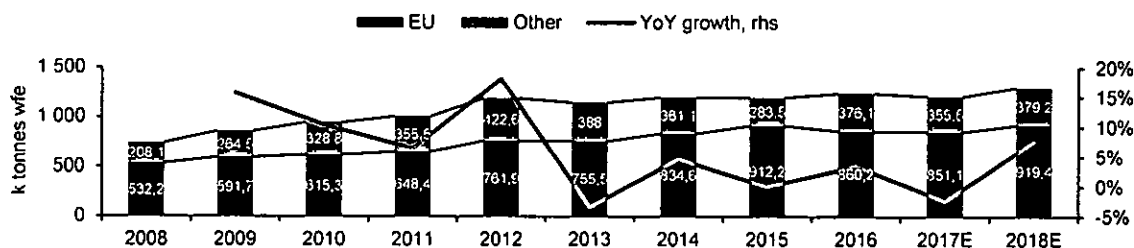
represent the largest export markets for Norwegian salmon. The Polish processing Industry, which imports Norwegian salmon for processing and export to the EU market, represents a large portion of the market for Norwegian Atlantic salmon in Poland. As of November, the markets with the highest volume growth for Norwegian salmon from 2016 to 2017 were Denmark, United States and Vietnam.

Top 10 producers in Norway (2016 harvest)



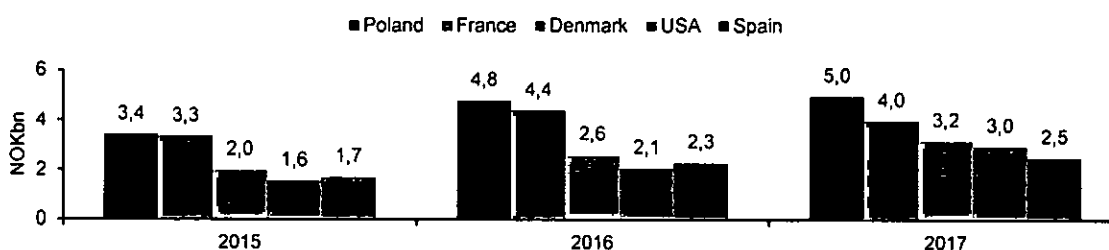
Source: Marine Harvest (2017), *Salmon Farming Industry Handbook*

Norwegian salmon supply split by market



Source: Kontali (2017), *Farmed Atlantic Salmon - Monthly Update (September)*

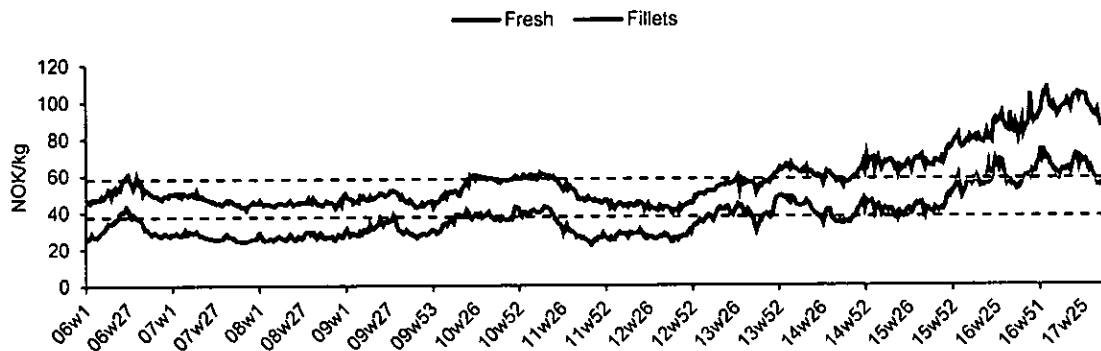
Export of Norwegian salmon (January – November)



Source: Norwegian Seafood Council, <https://nakkeltall.seafood.no/> (January 2018)

The export price for Norwegian salmon is typically measured FOB Oslo, and the graph below shows the price development for fresh and filleted Atlantic salmon FOB Oslo from week 1 in 2006 to week 38 in 2017. During this period the average fillet price has been around NOK 58/kg while the average price for fresh whole fish has been approximately NOK 37.50/kg. Prices reached all-time highs in the beginning of 2017, with fillets being sold above NOK 100 and fresh fish selling for above NOK 70. Since then prices have come down, but still trade above the historical average.

Weekly Norwegian export price (week 1 2006 - week 38 2017)



Source: Norwegian Seafood Export Council (NSEC)

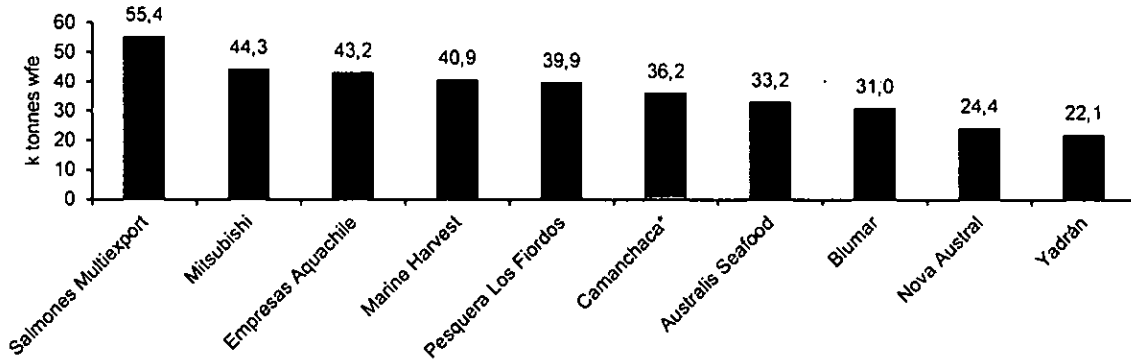
7.3.2 Norwegian regulations

The two most important laws for regulation of salmon farming in Norway are The Aquaculture Act (17 June 2005) and The Food Safety Act (19 December 2003). In 2016, the number of Atlantic salmon and Trout sea farming licenses was limited to 990. One sea water license allows up to four farming sites, increasing to six if all sites are connected with the same licenses. New sea farming licenses are administered by The Directorate of Fisheries, and awarded by the Norwegian Ministry of Trade, Industry and Fisheries. Once awarded, such licenses may be sold and pledged. Licenses are perpetual, but may be withdrawn if there is a material breach of conditions set out in the license or in the legislation related to aquaculture or environment. Maximum allowed biomass ("MAB") regulates production limitations in Norway, and defines the maximum biomass each company can hold in each license at all times. This biomass limitation is 780 tons for all regions, except from Troms and Finnmark where it is 945 tons. The average harvest per license in Norway was approximately 1,185 tonnes (WFE) in 2016. In addition to this, each site has its own MAB which is usually 2.34 - 4.68 tonnes. No company may control more than 50% of the total biomass in any region. In November 2015, the Norwegian Government launched development licenses in order to incentivize investments in new farming technologies. These were allocated free of charge with a lifetime of up to 15 years, with the option of a subsequent conversion into commercial license if certain criteria are met for a cost of NOK 10 million. Norwegian aquaculture regulations were revised in January 2017, after which the sea lice level in each of the Norwegian coastline's 13 production areas determines future growth or reduction. An area that satisfies the growth criteria may grow by a maximum of 6% every two years. No capacity reductions will be imposed earlier than 2019.

7.3.3 Chile

Production in Chile is more evenly distributed between the largest farmers, with Multiexport, Cermaq and Aquachile as the top 3 salmon farmers. Chile is somewhat more consolidated than Norway, as 13 farmers accounted for 80% of the 2016 production. This can partly be explained by less strict governmental requirements on ownership structures. The majority of the supply from Chile is consumed in the United States and other markets such as Latin America and China. Frozen fish accounted for 53% of total exports in 2016. The reason behind the big drop in Chilean supply in 2009 and 2010 was the ISA (Infectious Salmon Anemia) outbreak in the period between 2007 and 2009 which forced salmon farmers to reduce stocking volumes significantly. Concessions for salmon farming in Chile are located in the three most southern regions, namely regions X, XI and XII. Region X has lowest transport cost due to its proximity to key export points and end markets, while region XII has higher transport costs but also typically lower biomass and cage density. After annual declines of approximately 5% in 2016 and 2017 due to an algal bloom in 2016 and the implementation of new regulations, Kontali expects a recovery back to 2015 levels in 2018.

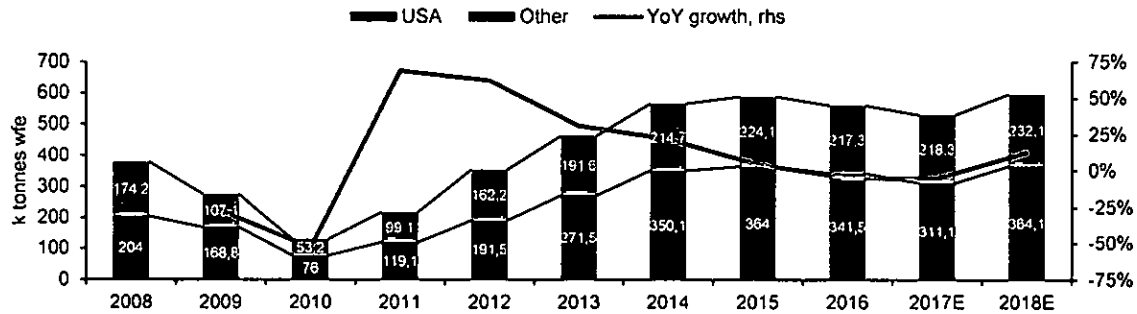
Top 10 producers in Chile (2016 harvest)



Source: Marine Harvest (2017), *Salmon Farming Industry Handbook*

*Includes trout from Caleta Bay JV

Chilean salmon supply split by market



Source: Kontali (2017), *Farmed Atlantic Salmon - Monthly Update (September)*

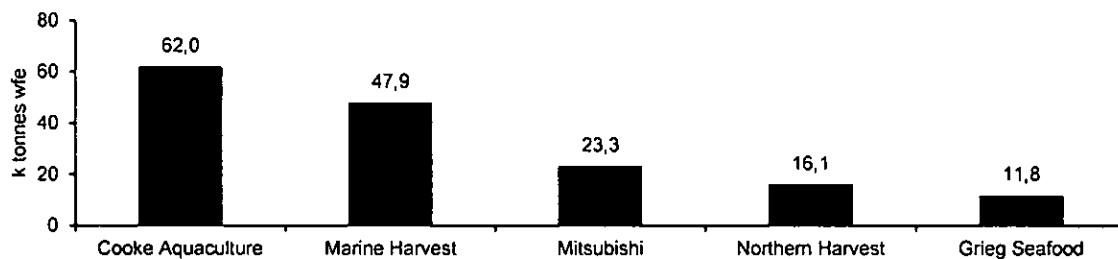
7.3.4 Chilean regulations

For an overview of the current regulations governing the salmon farming industry in Chile, refer to Section 8.12 "Regulation of fish farming in Chile".

7.3.5 Canada

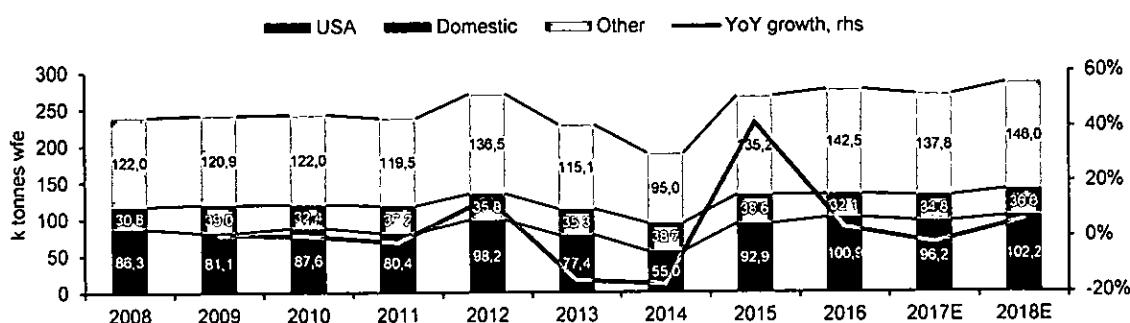
The main regions for salmon farming in Canada are British Columbia on the west coast and Newfoundland and Labrador, New Brunswick and Nova Scotia on the east coast. The largest operators are Cooke Aquaculture (operations in all three regions on the east coast), Marine Harvest (operations in British Columbia) and Cermaq (operations in British Columbia). The largest markets for Canadian salmon are the United States market following by the domestic market.

Top 5 producers in Canada (2016 harvest)



Source: Marine Harvest (2017), *Salmon Farming Industry Handbook*

Canadian salmon supply split by market



Source: Kontali (2017), *Farmed Atlantic Salmon - Monthly Update (September)*

7.3.6 Canadian regulations

To operate a marine fish farm site in British Columbia, an authorisation is required at both Federal and Provincial level. Operations are regulated by the Federal Government, while the Provincial Government administers the Crown lands where the farm is located. The farmer is allocated a tenure license from the Provincial Government, with lifetime ranging from five to twenty years based on the provincial policy at the time of issue. Tenure holders are required to pay an annual fee which is typically around CAD 12,600 for a 30 hectares license. However, the fee will vary depending on the tenure size and an indexed land value for each province. Normally, tenures are renewed after expiry. The Aquaculture License granted by the Federal Government addresses several conditions that a farm must describe which are closely linked with The Federal Fisheries Act. These conditions regulate important production parameters such as species being farmed, MAB, use of rearing equipment and environmental impact. Each facility has one specific MAB. While smaller farms may typically produce approximately 2,200 tonnes, larger sites are often licensed for up to 5,000 tonnes per cycle. Aquaculture licenses issued after December 2016 are issued for a six year period, and subject to an annual fee of CAD 2.55 per ton MAB for operational sites. The fee for dormant sites is CAD 100. Both Provincial and Federal licenses may be transferred from one company to another upon acceptance and support by the Government.

In Newfoundland, the Provincial Government regulates aquaculture operations and administers the Crown lands suitable for fish farming. The Department of Environment and Conservation grants a lease for Aquaculture and a Water Use License, through which the farmer is allowed to install and operate the facility. The standard lease duration is 50 years, and in 2017 the fee for a 30 hectares tenure was CAD 8 per hectare. The Water Use License follows the Lease for Aquaculture as long as the holder meets the conditions listed in the agreement, and the holder pays a one-time fee of CAD 400 in addition to CAD 1,000 per year. MAB is specific to each site, and typically ranges between 2,500 and 5,000 tonnes per cycle. The main responsibilities of the Federal Government are navigation, disease prevention and the environment under the Fisheries Act, Navigable Waters Act, Health of Animals Act and the National Aquaculture Activities Regulation.

7.3.7 United Kingdom

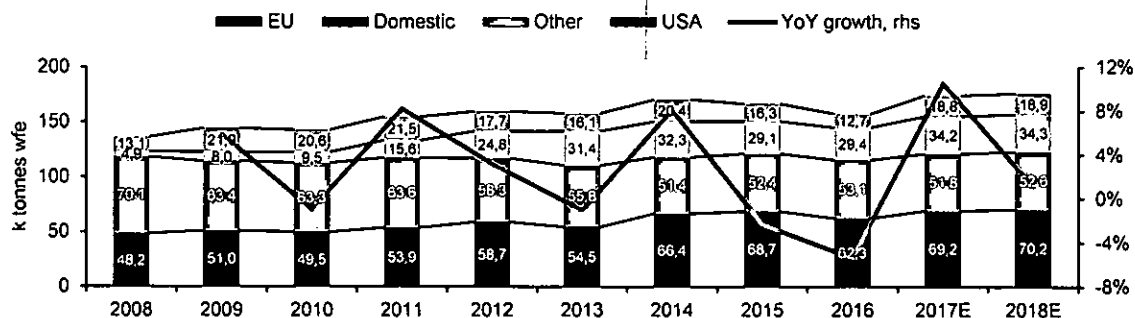
The largest salmon farmers in UK are Marine Harvest, Scottish Seafarms and The Scottish Salmon Company. Farming sites are located on the west and north coast of Scotland, and the Shetland and Orkney Islands. A large part of the production is consumed within in the UK (34% in 2016), while the EU and the United States represent the largest export markets.

Top 5 producers in UK (2016 harvest)



Source: Marine Harvest (2017), *Salmon Farming Industry Handbook*

UK salmon supply split by market

Source: Kontali (2017), *Farmed Atlantic Salmon - Monthly Update (September)*

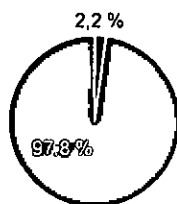
Three Scottish institutions need to permit farming operations. First, a Planning Permission is required from the local regional Council. Second, a Marine License is required from Marine Scotland. The final license is a discharge license from the Scottish Environment Protection Agency (SEPA). The MAB is determined based on an individual site level based on the capacity of the local marine environment to accommodate the fish farm. Due to this, site MAB can vary between 100 tons to 2,500 tons. Licenses can be traded, and the lifetime of the Planning Permission is currently 25 years. Operators pay an annual environmental license fee of approximately GBP 9,000, in addition to a standing rent based on the location of the site and the amount of harvest. Mainland sites are charged GBP 22.50 per tonne harvested, Western Isles sites GBP 20.50 per tonne and a GBP 1,000 annual charge if there is no harvest on the site. In case of dormant sites, there is an annual fee of GBP 2,000 which increases each year the site is inactive. In case of significant and long-term lack of compliance, the environmental license can be revoked.

7.4 Competitive landscape

The Company was the sixth largest producer of Atlantic salmon in Chile in 2016, and the 14th largest globally representing approximately 2.2% of the global supply. The largest single export markets for Salmones in 2016 were USA, Russia, Brazil, Mexico, Japan, China and Argentina.

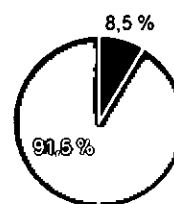
Global market share, 2016 harvest

■ Salmones Camanchaca ■ Other



Chilean market share, 2016 harvest

■ Salmones Camanchaca ■ Other

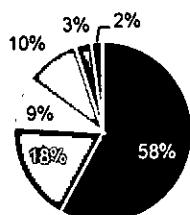
Source: Kontali (2017), *Salmon World 2017 and Company*

7.4.1 United States

The largest suppliers of Atlantic salmon to the United States are Canada and Chile. For fresh Atlantic salmon, main competitors are Canadian producers with a 58% volume market share in 2016 followed by UK (18%), Norway (10%) and Faroe Islands (9%). As most of the whole fresh fish from Chile goes to Latin American countries such as Brazil, Chilean producers comprise only 3% of this market in the United States. For fresh and frozen fillets on the other hand, Chilean salmon has the largest market share of 71% followed by Norway (16%) and Canada (7%).

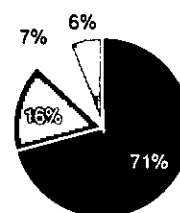
Whole fresh Atlantic salmon volumes to the US, 2016

■ Canada ■ UK ■ Faroe ■ Norway ■ Chile ■ Others



Fresh and frozen Atlantic salmon fillets to the US, 2016

■ Chile ■ Norway ■ Canada ■ Others



Source: Kontall (2017), *Salmon Market Analysis 2017*

7.4.2 Russia

All salmon exported from Chile to Russia is frozen, and Chilean suppliers have a market share of 100% in this category. The market for fresh salmon is dominated by Faroe Islands.

7.4.3 Latin America

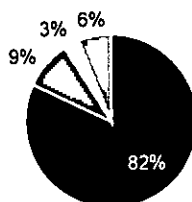
As Brazil, Mexico and Argentina are served almost entirely by Chilean producers, all the significant competitors of Salmones in these markets are Chilean. The concrete market share of Chilean salmon is 100% in Brazil and Argentina (both for fresh fish and fillets), and 96% for fillets and 100% for fresh fish in Mexico.

7.4.4 Japan

The most important competitors for Salmones in Japan are Norwegian producers (68% of supply in 2016) and other Chilean producers (23% of supply in 2016). As most of the fish exported from Chile to this market is frozen, Chilean producers have a market share of less than 6% for whole fresh fish.

Whole fresh Atlantic salmon volumes to Japan, 2016

■ Norway ■ Canada ■ UK ■ Others



Source: Kontall (2017), *Salmon Market Analysis 2017*

7.4.5 China

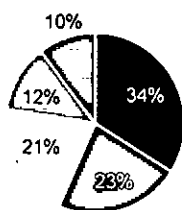
As Faroe Islands and Chile had a combined market share of approximately 70% in China in 2016⁴, farmers on Faroe Islands and Chilean companies currently represent the most important competitors in the Chinese market. Salmones exports salmon to this market through the joint venture New World Currents Inc. ("**New World Currents**") which it operates together with three other Chilean salmon farming producers⁵. During the period from December 2015 to November 2016, New World Currents was the largest importer of Chilean salmon to China, with a market share of 24%.

⁴ The high market share for Faroe Island and Chile in 2016 was largely due to the political unrest between Norway and China which in practice stopped all exports from Norway to China in this period.

⁵ There are ongoing discussions regarding whether one or two other Chilean salmon farming companies will be part of New World Currents. In the event the number of participants in New World Currents is increased, the Company's ownership will be reduced accordingly (meaning from its current 25% to 20% if one additional member becomes part, and to 16.7% of two additional members are admitted). The Company expects that an expansion of New World Currents will strengthen the market position of New World Currents through increased sales volumes in the Chinese market and greater sales and distribution capabilities. This will come as a result of new members contributing existing sales volumes and sales and distribution channels to the joint venture.

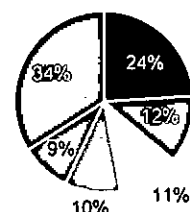
Whole fresh Atlantic salmon volumes to China, 2016

■ Chile ■ Faroe ■ UK ■ Canada ■ Others

Source: Kontali (2017), *Salmon Market Analysis 2017*.

Market share, Chilean salmon to China (2016)

■ New World Currents ■ #2 ■ #3 ■ #4 ■ #5 ■ Other

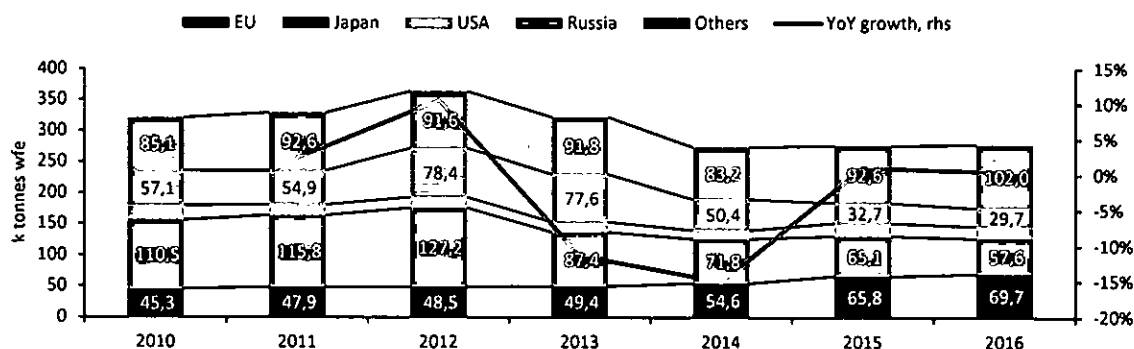


Source: Company

7.5 The trout market

Through its participating interest (33.33%) in the Caleta Bay JV (as defined below) which has annual production capacity of approximately 12,000 tonnes until 2023, the Company is exposed to the market for large trout. As of 2016, large trout was the third largest farmed salmonid specie after Atlantic salmon and small trout according to Kontali, with a production of approximately 262,000 tonnes WFE. This trout is mainly sold fresh, but also used for smoked production. Japan has historically been the largest market for large trout, but has been surpassed by the EU in the most recent years. The consumption of large trout in the EU has grown steadily since 2010, in line with the market for Atlantic salmon.

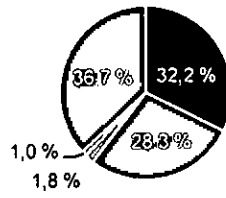
Supply split by market, large trout

Source: Kontali (2017), *Salmon World 2017*

Chile is the second largest producer of large trout after Norway, with a production in 2016 of 74,200 tonnes WFE (approximately 28% of the global production). The third main producer of large trout is Faroe Islands. The global production has declined for four consecutive years, and in 2016 reached its lowest level since 2006 much due to biological challenges in Chile. As illustrated in the graph for frozen Norwegian trout for export, the price of trout has to a large extent followed the Atlantic salmon price and reached an all-time high of almost NOK 90/kg during the first half of 2017. Weekly wholesale prices from the Red Salmon Tsukiji Market in Tokyo, where prices are specified based on similar weights of 4-6 lb for Norwegian and Chilean trout, show that Chilean trout was priced at an average discount of 2.4% during 2017. In 2016, this discount was 1.4%.

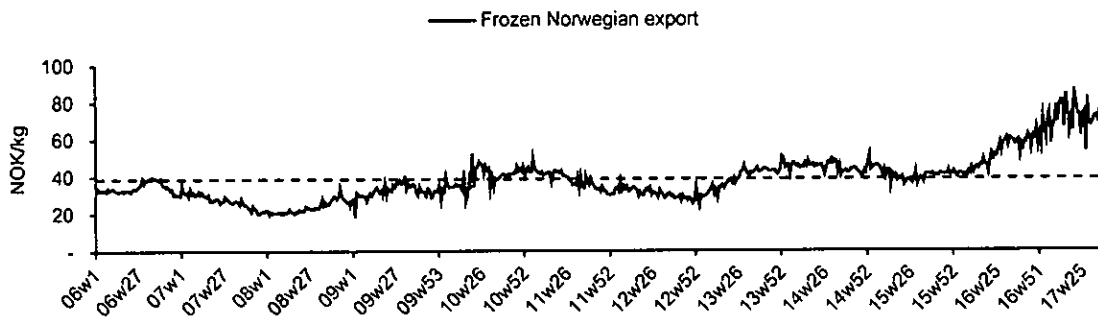
Production split 2016, large trout

■ Norway ■ Chile ■ UK ■ Canada ■ Others



Source: Kontali (2017), Salmon World 2017

Weekly export price, frozen Norwegian trout (week 1 2016 - week 38 2017)



Source: Norwegian Seafood Council (NSEC)

8 BUSINESS OF THE GROUP

8.1 Introduction

Salmones is an Atlantic salmon farming company with a fully integrated value chain starting with the Group's proprietary genetic program using eggs from the Group's own breeding facilities and ending with the delivery to the Group's customer base, including delivery to large distributors in Brazil, Russia and China, through its marketing and sales channels. A part of the Salmones Group's operations also includes farming and harvest of trout (See Section 8.7 "Markets of operation" for further information). The Group's production operations are entirely conducted in Chile in the pristine glacial waters of the fjords and channels of the Los Lagos and Aysén regions in the Chilean Patagonia. The Group has global presence with commercial operations in Chile, United States, Japan, China, Europe and Mexico, and also direct sales to Europe, Brazil, Russia and other markets.

Salmones was incorporated in 2009 as a division of Compañía Pesquera (together with all its subsidiaries the "**Camanchaca Group**"), a Chilean publicly held corporation listed on the Santiago Stock Exchange, in order to continue the salmon farming operations of the Camanchaca Group that were started in 1987. Hence, the business carried out by the Group today has been part of the Chilean salmon farming industry since the beginning. See Section 14 "The Reorganisation and refinancing" for a description (as defined below) of the Camanchaca Group prior to the Listing. The Group is headquartered in Santiago, Chile.

COMMERCIAL OFFICES

Chile
USA
Japan

COMMERCIAL REPRESENTATIONS

China
México,
Central America &
The Caribbean

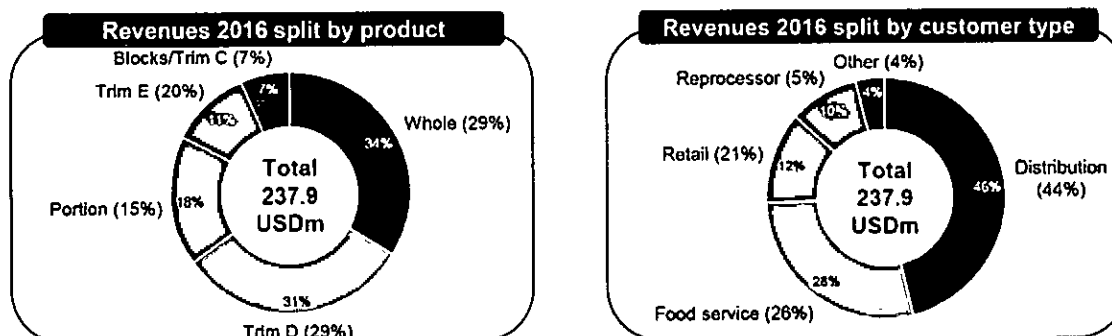


Salmones is a company highly committed to its employees, a work force of approximately 1,347 employees divided between the farming, processing and administration areas. See Section 12.10 "Employees" for further information about the Group's employees.

The Group's main focus is on its salmon farming operations. Through the operations of the Caleta Bay JV (as defined below), the Group is also engaged in the trout farming business. The Group believes that key success criteria to achieve further growth in international markets and within the salmon farming industry is to encourage innovative ideas and to integrate sustainability in all aspects of the Group's operations, both criteria which reflects the Group's organisational culture and constitutes the pillars of the Group's long term strategy. The Group's strategy further involves the development of an increasingly efficient value and production chain which is the fundamental component of the Group's business plan. On a global basis, the market for Atlantic salmon has grown by a CAGR of 5.7% over the last 10 years and Chile has recorded annual harvest growth of approximately 3.2% making Chile the world's second largest producer of Atlantic salmon with a 23% share of the global market. The Group's estimated and expected harvest figures for 2018 and 2019 indicates total harvest of 53.8 and 55.6 thousand tonnes WFE, respectively, of Atlantic salmon and trout.

Salmones has positioned itself in the international consumer market as a reliable supplier of premium marine products consisting of fresh and frozen Atlantic salmon in various formats. Salmones has built its business through long-term relationships with important retail, food service and distribution customers around the world. In the international market, Salmones sells its products under the brands Camanchaca Gourmet, Pier 33 Gourmet and New World Currents. During 2016, the Group's salmon farming business total revenues increased 34.2% to USD 237.9 million with a profit of USD 30.8 million. In this period, the Group's main export markets were the United States (41%),

Russia (16%), Brazil (10%), Japan (7%), Mexico (6%) and China (4%).⁶ The tables below shows the Group's sales revenues split by product and by customer type in 2016 (with comparable figures for 2015 in parenthesis):



The revenues shown are expressed as the value in the sales invoice, which is a combination between free on board (FOB) and cost and freight (C&F) depending on the sales condition for each customer. This value differs from the Financial Statement where it is presented in FOB terms and without the commission of the sales offices (see Section 8.7.2 "Products").

Going forward the Salmones Group intends to further expand its business operations. First, the Group will continue its product diversification not only in its current export markets (See Section 8.7 "Markets of operation") but also the sales and marketing channels the Group utilise to end customers, which means to intensify the Group's presence in those markets the Group consider to have an important potential for further growth, such as China, Brazil as well as other Asian markets like Korea and Vietnam, both for frozen and fresh salmon products. Second, the Group will continue to pursue the per capita consumption of Atlantic salmon in those markets where market estimates indicates that it is room to do so, although the Group currently has high export volumes to these markets, such as the United States. Convenience, health benefits, sustainability and availability are some of the many elements the Group will use to enhance the preference and benefits for its end customers vis a vis other dietary products. Third, another area the Group is exploring and which has a potential for marketing and sales relates to the utilisation of new sales channels, such as internet platforms, and in particular to the Asian market where these channels have proven to represent a significant potential to reach customers that are not currently the Group's strongest customer group, mainly within the millennium segment.

To reinforce and further develop the Group's overall strategy, the Board of Directors have approved a set of financial and operational guidelines the Group will aim to follow.

8.2 Competitive strengths

The Group believes it has many key strengths that help to differentiate it from its competitors and have enabled the Group to achieve significant long-term profitable growth. The Group operates in a young, global and highly attractive industry with a world known aspirational product. The Group's success is owed to its commitment to sustainable salmon farming and decades of patient implementation of the four focuses of the Group's strategy (See Section 8.3 "Strategy" for further information). In this period, awareness and further development of the Group's competitive strengths has been a success criterion for the Group's expansion into new markets and increased market shares. These key strengths are:

⁶ Other countries accounted for 16% of the Group's salmon farming revenues, including countries such as Argentina, Denmark and Germany.

The Group's ability to maintain quality throughout its fully integrated value chain

There are several reasons for why the Group believes its integrated value chain represents a key strength in its business operations. First, the Group's genetic improvement program for Atlantic salmon is the result of 15 years of development, which includes the proprietary rights for the Lochy strain, and is 100% self-supplied with eggs from genetically selected breeders. Secondly, the Group's 74 concessions, all of which represents premium sites granted in the first concession program implemented by the Chilean government, are spread across the Los Lagos and Aysén regions which secure biological diversification for the Group's farming operations and also allows the Group to switch between high-quality sites in order to minimize area dependent risk. Third, the Group has three processing plants for primary and value-added processing of its own harvested Atlantic salmon, also with sufficient capacity to process third party products. Lastly, the Group's access to the Camanchaca Group's strong sales channels leverage the Group with increased market penetration and attractive prices achievements and the ability to significantly increase its sales.

As a result of the high quality of the Group's integrated value chain, the Group has earned several recognitions for its business operations. This includes; (i) being the world's first salmon producer to earn three stars for complying with the Global Aquaculture Alliance's (the "GAA") Best Aquaculture Practices ("BAP") and currently holds a fourth star for its feed supply; (ii) the Group's Tomé and San José plants have earned the Aquaculture Stewardship Council ("ASC") Chain of Custody standard; (iii) the Group's Río del Este hatchery earned GLOBAL Good Agriculture Practices ("Global G.A.P") certification and (iv) the Group's Porcelana farm site earned certification under the demanding standards of the ASC. The Group has also achieved and maintained Kosher and HACCP certifications. Salmones is a founding member of Global Salmon Initiative (the "GSI") (www.globalsalmoninitiative.org) and organization of world leading salmon farmers aiming to make the industry highly sustainable.

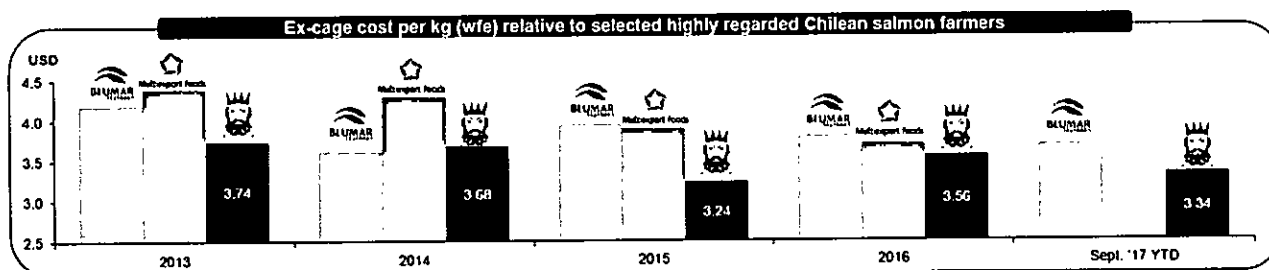


The Group's position as a cost leader

Historically, the Group has been positioned among the lowest cost producing farmers of Atlantic salmon in Chile⁷. With 13 active sites in the Los Lagos region and 4 active sites in the Aysén region, more than 50% of the Group's sea water production cycle is currently located in the northern region. The close proximity between the Group's active sites in the Los Lagos region results in a significant logistic cost advantage for the Group which allows an efficient transition between the sea water production cycle and processing phase (See Section 8.5 "Value and production chain"). The Group's business plan indicates an increased number of utilised farming sites the next two to three years, which will involve a higher number of active sites. The majority of new active sites will be in the Los Lagos region which, according to the Group's estimates, will result in approximately 60% of the Group's active sites to be located in the Los Lagos region and the remaining 40% to be located in the Aysén region.

Through the Group's significant investments in feeding lines from 2014, the Group has developed a continuous and highly efficient micro-diet and high energy feeding regime which in turn has resulted in lower costs for the Group's production cycle owing to a better feed conversion. The illustration below shows a comparison between the Group's ex-cage costs relative to other selected Chilean farmers of Atlantic salmon (Blumar and Multiexport Foods, respectively):

⁷ The Company's cost comparison is based on the Company's own calculations. Data is collected from the Company and extracted from illustrations and information in company presentations.

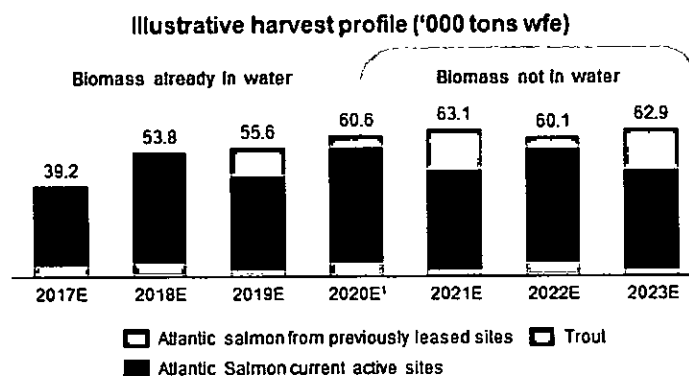


Note: Assuming WFE/live weight = 0.93 and GWT/live weight = 0.84.

The Group is well positioned in a highly attractive industry with several attractive investment opportunities and with solid growth prospects going forward

The market outlook for the salmon farming industry points to several factors indicating attractive global market dynamics. These factors include an increase in global fish consumption, increased global demand for farmed salmon, and particularly in emerging markets such as China, population growth and national and global regulatory initiatives. Estimates indicate a global yearly growth of 5.1% for 2017 and 7.0% for 2018, while the estimated harvest growth in Chile is 9.0% for the period 2016 – 2018. See Section 7 "Industry and Market Overview" for further details on the salmon farming market.

New national regulatory initiatives in Chile were introduced in 2016 modifying the regulation for salmon farming densities by introducing strict restrictions on the growth capacity and forcing stocking reductions wherever low biosecurity performance is detected. New regulations are expected to have an impact on the industry's growth capacity in the following years, particularly in the Los Ríos and Aysén region. Through the restrictions on salmon farming densities by sites and territories, salmon farmers will be more limited in their growth plans. The Group was previously using more concessions than necessary for its own production and decided to lease out five concessions to other farmers in the northern regions. At the expiration of the lease contracts, the concessions will be used for the Groups' own stocking and production, without affecting the growth capacity in Los Lagos and Aysén regions. For 2018, the Group estimates approximately 47,800 tonnes WFE of harvestable Atlantic salmon and 6,000 tonnes WFE of trout (through the Caleta Bay JV (as defined below)), representing an expansion of approximately 37%. As illustrated below, the Group expects a considerable portion of future growth to come from concessions currently leased out.



The Company targets to have a total capital expenditure of approximately USD 65 million in the period between the financial years 2017 and 2019, which affects efficiencies in several parts of the Group's value chain. Of the total capital expenditure, approximately USD 42.8 is committed to the identified investment opportunities including new sites for production growth, enhanced capacity and efficiency the Group's plant located in Tomé, expansion of the Group's RAS hatchery to enlarge smolts weight, expansion and installation of freezing capacity at the Group's San José plant to directly export whole fish and investment in larger sea farming cages with lower operational costs. For further information about the Group's investment plan, see Section 11.6 "Investments". As a result of the Group's investment plans, the Group estimates an annual potential margin increase of approximately USD 39 million.

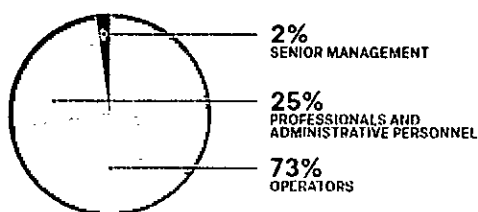
Strong and resilient management team with proven track-record to handle unexpected events

The Group has a highly skilled and experienced management team. Several members of the Management (including the active chairman of the Board of Directors and particularly the Company's CEO) have long-term experience within the salmon farming industry and the Group. The Management team's reputation, as well as the relationships forged through a considerable number of years in the industry are and have proven to be a significant advantage. The Group believes that this has contributed to consolidate its current operational and market position as well as access to emerging market that would otherwise have not obtained. The Group is also part of local and foreign organizations with industry expertise that provides access to important industry outlook and strategic perspective, including among others:

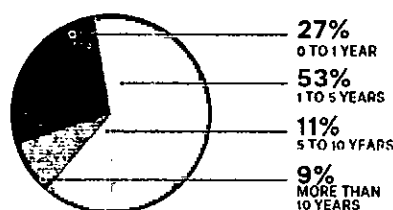


Furthermore, all the Group's farming and production sites are operated by talented teams of employees with several years of specific experience at the selected sites, a critical success factor in the ocean and land. The efforts and capabilities of the Group's employees were demonstrated by their quick and very effective response after the eruption of the Calbuco volcano in 2015 which permitted the reconstruction of the Petrohué hatchery in record time, and after the harmful algae bloom in 2016 which affected the Group's Seno de Reloncavi sites, where the Group managed to process 80% of the biomass mortality into fishmeal and fish oil, being the remaining 20% disposed of in authorized landfills, avoiding throwing dead fish out into the ocean.

2016 EMPLOYEE DISTRIBUTION
BY LEVEL



YEARS OF SERVICE AT SALMONES
CAMANCHACA

**Committed family majority ownership and strategically majority shareholder**

The Camanchaca Group has been built organically since the early 80s with the long-term support and investment from the Fernández and Cifuentes families, the majority shareholders of the Selling Shareholder. The strong family ownership in the Camanchaca Group has implied a high dedication to the seafood and marine environment, and also implemented a strong mentality and deep industry know-how in the Group's salmon farming industry area. Further, a strong and long-term family ownership has provided a strict and transparent corporate governance regime which has resulted in the Company being ranked the best Chilean salmon company in Seafood Intelligence's Sustainability Reporting & Transparency ranking in 2016 and 2017.

Compañía Pesquera provides a base of strong strategic benefits for the Group. Through the Camanchaca Group's sales and marketing channels, which hit global markets with high volumes and wide range of products, the Group can increase its market penetration and achieve attractive market prices for the Group's products. A strong strategic benefit for the Group also includes access to the Camanchaca Group's logistics, purchasing, treasury and financial capabilities, as well as access to talented people. See Sections 15.3.1 "Management Services Agreement" and 12.3.1 "Overview" for further information about the Management Services Agreement.

8.3 Strategy

The Group's long term vision is to be the leading salmon farming company in the Chilean Atlantic salmon industry in terms of efficiency in its operations, quality and value of its products, sustainable farming and being a good corporate citizen.

Salmones aims to extract full value from its production chain, ensuring full control and maximum efficiency of critical and strategic components, such as an enriched genetic program and a world class hatchery in order to produce the

best smolt in the Chilean salmon farming industry; premier concessions spread across the Los Lagos and Aysén regions with strategic logistic advantages; highly efficient processing plants, which are chosen by other Chilean salmon farmers for their products; active and local presence in the main markets where it operates, with adequate markets and buyers' dispersion. The above elements of the Group's strategy and vision includes full utilisation of the Group's assets; continuous benchmarking on its competitors production costs in order to ensure remaining competitive in the long term; high standard of product security and a premier supplier of healthy marine proteins. Based on these elements and factors, The Group aims to harvest more than 50,000 tonnes WFE of Atlantic salmon by 2018 and more than 60,000 tonnes WFE by 2021.

8.4 History and important events

8.4.1 Introduction

The current salmon farming activities of the Group were first established in 1987 as part of the Camanchaca Group. The Company in itself was established in 2009 as a subsidiary of the Selling Shareholder to focus and consolidate resources for the Camanchaca Group's salmon farming operations. During the period up to 2009, the Camanchaca Group had already stocked the first Atlantic salmon at the Pañasmó and Terao sites, made its first investment in a recirculating hatchery for Atlantic salmon in Chile on the Petrohué river in the Los Lagos region and opened marketing and sales offices in the United States and Japan.

The Company's headquarters are located in Santiago, Chile. The Company also has commercial representation established through sales and marketing offices in China, Mexico, Europe and Central America & The Caribbean, and its Associated Company, New World Currents. For a full overview of the Group, see Section 16.2 "Legal structure".

8.4.2 History and important events

The table below provides an overview of key events in the history of the Group:

Date	Important event
1987	Camanchaca Group established its salmon farming operations by acquiring the Polcura hatchery, where the first (Coho) smolts were produced. These were the first species farmed by the Camanchaca Group. The same year, the first Atlantic salmon were stocked at the Pañasmó and Terao sites.
1987	Aquaculture concessions were acquired with a potential production of 75,000 tonnes per year, allowing the diversification of the production.
1989	The Camanchaca Group began the cultivation of Atlantic salmon and the expansion of its operations within Los Lagos region.
2001	The Company made a pioneering investment, the first recirculating hatchery for salmon in Chile, located on the Petrohué river in the Los Lagos region, with a production capacity of 15 million smolts per year.
2004	Fiordo Blanco S.A. was acquired by the Camanchaca Group, which launched the Atlantic salmon breeding program, with an exclusive faster grower breed, Lochy strain.
2008	Like other fish farming companies, the Camanchaca Group suffered the effects of the ISA virus and decided to suspend the production of Atlantic salmon until health and sanitary conditions and regulatory and protocols were implemented, allowing more secure farming environment.
2009	Incorporation of the salmon operations in a new legal vehicle, Salmones, in order to focus and consolidate the resources for the Camanchaca Group's salmon farming and production operations.
2010	Compañía Pesquera successfully listed 31.5% of its shares on the Santiago Stock Exchange, raising a total equity amount equal to USD 205 million.
2011	Harvesting of Atlantic salmon was resumed with healthy indicators and successful yields after the two year interruption due to the ISA virus.
2012	The 40,000 tonnes WFE volumes prior to the ISA virus crisis were resumed with exports to more than 30 countries. Salmones became the world's first salmon producer to earn three stars for complying with the BAP of the GAA.
2013	Salmones founded New World Currents in partnership with three other Chilean companies for purposes of supplying Atlantic salmon to the Chinese market in an efficient and stable manner, and the goal to become the largest importer to this emerging market. The GSI was officially launched, which includes as a founding member, Salmones, and other world leading salmon producers, with the objective to achieve significant progress in developing a sustainable farming industry. Compañía Pesquera restructured its entire debt, equivalent to USD 234 million. Compañía Pesquera and Salmones represented 92% of the total debt.
2014	Compañía Pesquera was listed on the Electronic Stock Exchange's Chile 65 Index and the Santiago Stock Exchange's Food & Beverage Index.

2015	Salmones published its first sustainability report in June 2015. In April 2015, the eruption of the Calbuco volcano caused damage in the Los Lagos region of Chile, specifically affecting the Petrohué RAS hatchery. The Group managed to recover more than 85% of fresh water fish, and enabled a rapid reconstruction. Compañía Pesquera and its affiliates were certified for having in place and adopted a model to prevent crimes of bribery of public national or foreign officials, money laundering and terrorism financing.
2016	The Porcelana site obtained ASC certification. The Group suffered HAB, which caused widespread mortality between February and March at three of the Group's farm sites in the Seno del Reloncaví. That same year, the Tomé and San José processing plants were also certified (ASC Chain of Custody Standard). Salmones earned the fourth star of BAP certification for the Rio Petrohué hatchery, completing the stars for grow-out sites, processing plant and suppliers of fish feed, thus completing certification for Salmones' entire production chain under this standard. Salmones also earned GLOBAL G.A.P. certification for its Rio del Este hatchery (broodstock). In early September, the facilities of the Petrohué hatchery reopened, with high safety standards and state of the art recirculation technologies, which resulted not only in operational improvements, but also in environmental benefits and significant progress towards sustainable and clean aquaculture. In November, performance from the previous cycle earned the Pilihue farming site the Chilean Best Site of 2015, awarded at the conference on Innovation and Collaboration for a More Sustainable Industry, i.e. the world's largest producer of feeds for farmed fish.
2017	The Company approved to increase its share capital to USD 73,422,406.08 in order to perform an internal restructuring process in which Compañía Pesquera transferred certain assets to Salmones, assets which are directly related to the Group's business activities. See Section 14.1 "The Reorganisation" for further information.

8.4.3 Extraordinary events

The following three events have each had an impact on the Company's operations:

The devaluation of currencies with respect to the USD in 2015

During 2015 most of the world's currencies were devaluated with respect to the USD. The Company estimates that the average devaluation of the CLP with respect to the USD as of 31 December 2015 (from CLP 607 per USD at the beginning of the year to CLP 654 as the annual average exchange rate), had a positive effect on the Company's costs that amounted to more than USD 12 million. However, this has to be evaluated in the context of generalised devaluations in the currencies of the Company's main export markets and the resulting price drops measured in USD. For the financial year ended 31 December 2015, the change in revenues due to the price drops had a negative impact of nearly USD 50 million.

Eruption of the Calbuco volcano in 2015

The Calbuco volcano erupted in April 2015, an event that negatively affected the Company's Petrohué hatchery, which is located approximately 14 kilometres away from the Calbuco volcano. This eruption severely affected the Petrohué hatchery, which is the location of the Company's smolt production (See Section 8.5.2 "Freshwater production cycle"). The eruption led to a contamination of approximately 14 million smolts. Seven million smolts survived the eruption and were transferred to grow-out sites or other hatcheries depending on the fish's stage of development. The new Petrohué hatchery was operative in September 2016, with 2.88 million eggs and completed the start-up of the alevin process in November of that year. As a part of the insurance settlement for buildings and equipment at the Petrohué hatchery, USD 3.9 million were recorded in the income statement for 2015 (USD 1.6 million in 2016). On the expense side, the Company also recorded in 2015 a final insurance settlement for damage to the biomass at Petrohué (loss of USD 0.7 million).

The harmful algae bloom (HAB) of 2016

The HAB that caused a widespread mortality between March 2016 and February 2017 at three of the Group's farm sites in Seno del Reloncaví (the Los Lagos region). The HAB caused the death of 2.8 million salmon with an average weight of 2.4 kilos. Accordingly, the total loss was between 13 and 14 thousand metric tonnes of raw material. The insurance compensation for the HAB event has been liquidated and paid, and amounts to USD 15.8 million. The losses were close to USD 11 million after the deduction of the final insurance settlement. Between the second quarter of 2016 and the first quarter of 2017, the Chilean salmon supply decreased with close to 20% due to the HAB event.

8.5 Value and production chain

8.5.1 Introduction

Salmones is a fully integrated producer of Atlantic salmon in Chile, with operations in the farming, harvesting, processing, marketing and sales of its products. Through the Company's profit based interest in the Caleta Bay JV (as

defined below) the Group also indirectly farms and harvests trout at six farming sites it has in the Reloncaví estuary in Los Lagos region in Chile. The Group's production operations of Atlantic salmon are entirely based in Los Lagos and Aysén regions.

The Group's value and production chain consist of the following production cycles; (i) three to four years freshwater production which involves genetic enhancement, reproduction and spawning, incubation and fry, and smoltification; (ii) thirteen to eighteen months sea grow-out production; (iii) processing which involves primary processing and secondary processing; and (vii) distribution and sale (See Section 8.7.2 "Products" for further information about the Group's sales structure). The Group recognizes that vertical integration to control the value chain and growth is essential for being globally competitive and to achieve a leading position in the salmon farming industry (See Section 8.2 "Competitive strengths"). The Group focus on optimising its value and production value chain and has initiated and ongoing investment projects that are expected to strengthen the Group's value and production chain. See Section 11.6 "Investments" for further information about planned and ongoing investments.

8.5.2 Freshwater production cycle

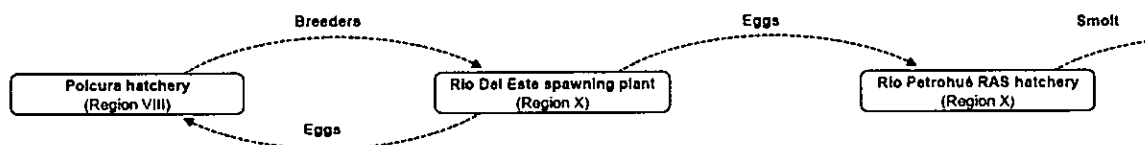
The Group has three hatchery sites for the production of eggs and smoltification. The Polcura hatchery, located in the Bio Bio region in Chile, has for a 15-year period been developing an advanced genetic enhancement program for Atlantic salmon focusing on the Lochy strain. At the Polcura hatchery, produced breeders are selected based on genetic performance and, once developed, light and temperature techniques are used to prepare the breeders for spawning.

Once the selected breeders are fully produced at the Polcura hatchery, these are transferred to the Group's Río Del Este hatchery, located in the Los Lagos region, for the spawning process and production of eggs. At the Río Del Este hatchery, the Group produces eggs on a continuous 12 month basis which makes the Group 100% self-supplied with eggs all year round. The reproduction and spawning process takes approximately three to four years during which the salmon are grown to reach an average weight of five to ten kilos, depending on their age. The salmon is carefully selected based on genetic quality and further examined for new and improved generations.

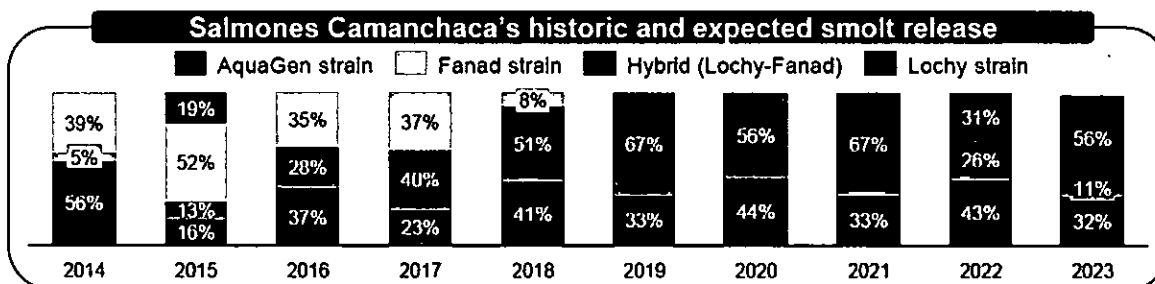
At the final stage of the freshwater production cycle, eggs produced at the Río Del Este hatchery are transferred to the Group's Río Petrohué RAS hatchery for the recirculation process, located in the Los Lagos region. The Río Petrohué RAS hatchery is one of the world's largest recirculation hatcheries with a capacity of up to 12 million smolt per year. The smoltification process is a closed structure protected from other natural elements in which all production variables such as temperature, oxygen levels and light are continuously controlled. The production process from egg to smolt takes approximately 12 months. Ordinary maintenance of the Río Petrohué RAS hatchery is scheduled by fixed sessions during the year in order not to interfere with the smolt release.

An important factor in the Group's production cycle relates to breeding strategies and timing of the various production phases. As further described in Section 8.5.2.1 below, the Group's breeding strategy involves the use of a mix of various eggs/smolt strains with different biological performances such as growth rate. The Group's combination of different smolt strains at different production sites with different temperature patterns allows the Group to model and produce an optimal harvest distribution. Salmones carefully times of the Group's harvests at each production site in order to control and optimise the following harvest process.

The Río Petrohué RAS hatchery is an environmentally friendly facility with less water consumption than open-flow hatcheries, and thus, promotes sustainable farming with minimal impact on its surroundings. There has been no fresh water diseases reported in the previous 5 years.

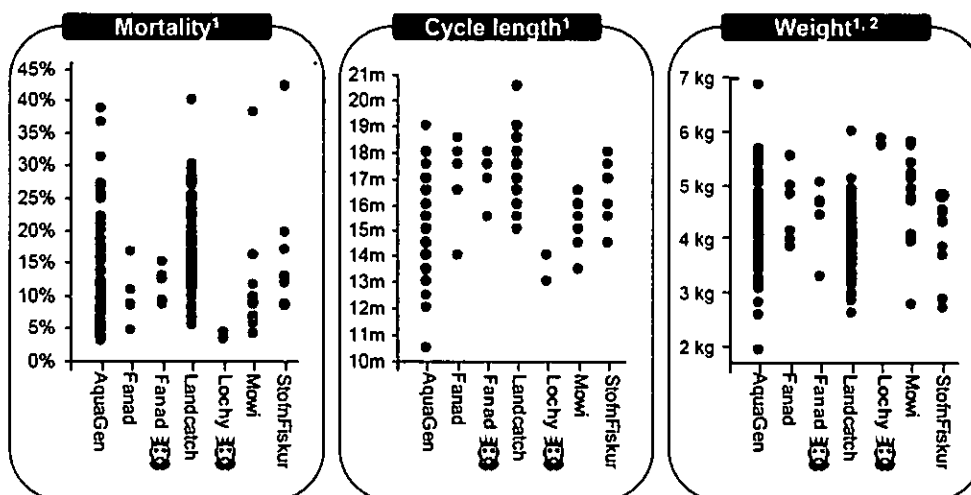


Below is a figure that illustrates the Group's historic and expected smolt release for the period 2012 – 2023.



8.5.2.1 Lochy and Fanad strain

In 2004, the Camanchaca Group acquired the proprietary rights of the Lochy strain as part of the acquisition of Fiordo Blanco ("Fiordo Blanco"), which had acquired the strain from Marine Harvest in 2000 for the purpose of using the strain as breeder. A successful genetic program for the enhancement of the Lochy strain was initiated in 2006 and the first generation of the genetically enhanced Lochy was released in 2009. Lochy grows faster than other strains but tend to mature earlier during the spring so in 2011 Salmones developed a hybrid strain combining the Lochy and Fanad strains for the purpose of harvesting during the December – February (the spring – summer period in Chile). The third generation of the Group's Lochy strain was launched in 2017 with enhancements in the fillet colour, illness resistance and consanguinity control. The figure below illustrates the attributes of the Group's Lochy and Fanad strains compared to other strains in Chile in terms of mortality, cycle length and weight. The Group's mortality rate for the period from November 2016 to November 2017 was 3.1% according to calculations by GSI.



¹ Strain productive results

² Harvest weight divided by numbers of smolt

8.5.3 Sea grow-out production cycle

The Group has a portfolio comprising 74 sea farming concessions. The Group's concessions are located between the Los Lagos region where 35 of the concessions are located and the Aysén region with 39. During 2016, the Group had 17 active farming sites. When the smoltification process is complete, the Group's ocean farming sites are seeded in order to begin with the grow-out process. The grow-out process takes approximately 13 to 18 months before the salmon is harvested. The Group harvest the salmon on a year-round basis for a sustainable and balanced growth.

During this phase of the production cycle, the Group is supplied by third party feed providers and the transportation of harvested salmon is operated by the Group's transportation suppliers (as further described in Section 8.6 "Material suppliers").

8.5.4 Processing

The Group has three processing plants. At the San José processing plant, salmon are processed harvested from sites located in the Los Lagos region. The San José plant has a capacity to process 80,000 salmon per day, which also enables the Group to process fish from other salmon farmers, and exports from this plant whole and fresh salmon to

neighbouring markets such as Brazil and Argentina, as well as China. Furthermore, through the Company's one-third ownership in Surproceso S.A. ("**Surproceso**"), the Group has preferential access to the Surproceso plant, a plant that processes salmon harvested from farming sites in the Aysén region. The Surproceso plant has a capacity of 115,000 fish per day.

The Group's third processing plant is the value added and finishing product Tomé plant, which produces fillets, portioned Atlantic salmon and other value-added products. The Tomé plant has a capacity of 250 tonnes raw material per day, which is processed into various product types. The Tomé plant is located in route from the farming and primary processing regions to Santiago's airport for fresh products, and very close and efficient proximity to major port of Talcahuano for frozen products, facilitating an efficient export to the Group's markets. Currently about 80% of the Group's harvested salmon is processed at the Tomé plant. The Tomé plant has a significantly high level of reclassification upgrades from non-premium to premium. During the period from January 2017 – July 2017, on average 76% of the salmon that was first classified as non-premium was upgraded to premium products.

8.5.4.1 Sustainability

The Group focuses on maintaining a sustainable business operation and is aware of the impacts that salmon farming and processing operations may have on the environment. Accordingly, the Group's value and production chain has been designed to reduce and minimize hazardous effects to make these processes and projects more viable in a long-term perspective. The Group implemented BAP, Global G.A.P and the ASC to endeavour a progressive improvement of its environmental performance. The Group was ranked number four in the world's global transparency ranking developed by Seafood Intelligence in sustainability reporting. The group also focuses on having a very sustainable and long term relationship with their employees and communities through the development of a specific social responsibility program called "Camanchaca Amiga", that has several initiatives in this regard. Each year the Company issues a sustainability report in accordance with Global Reporting Initiative (GRI) guidelines and the Food Processing Sector Disclosures⁸.

8.6 Material suppliers

The Group's main supply agreements relates to feed supply, transportation services of harvested salmon and trout from the Group's grow-out sites to its processing plants, and vaccinations and treatment services. The Group's main feed suppliers are Biomar, Ewos and Skretting. A total of 42,290 tonnes feed was consumed by the Group's salmon farming operations during 2016 and the feed costs for the periods ended 31 March 2017 and 30 June 2017 were approximately 52% and 50%, respectively of the ex-cage costs⁹. Purchase of fish feed are based on biannual auctions.

CPT Empresas Marítimas is the Group's main transportation services provider and operates vessels transporting the Group's harvested salmon and trout from grow-out sites to the processing plants. The Group's transportation agreements are long term contracts and services are purchased at market price. In addition to fish feed and transportation, a significant portion of the Group's production costs also comes from purchase of vaccination and treatment services. See Section 8.14.2.7 "Health and safety matters" for further information about the Group's vaccination and treatment procedures.

8.7 Markets of operation

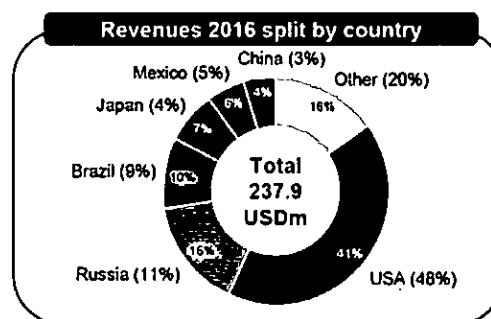
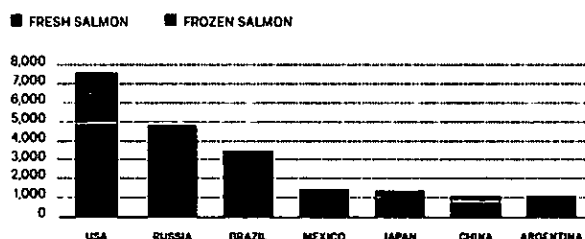
8.7.1 Introduction

Salmones is an important market player in the Chilean aquaculture industry and well known in the global salmon farming industry. Currently, the Group has sales operations and commercial representation in North America, Asia, Europe and South America. In 2016, the Group was the fifth largest exporter of Atlantic salmon from Chile, exporting a total of 26,500 tonnes of finished product, which constitutes the equivalent of 40,846 tonnes of whole bred Atlantic salmon. The Group's main export markets are United States, Russia, Brazil, Mexico, Japan, China and Argentina. As of 31 December 2016, the Group's largest export market was the United States, representing 29% of the Group's total exports and 48% of the Group's total revenues. The following figures illustrates the Group's annual owned export in tonnes and annual revenues as of 31 December 2016 divided by geographical segments.

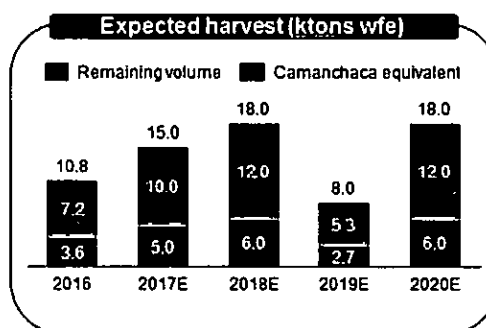
⁸ The guidelines can be found at <https://www.globalreporting.org/information/g4/Pages/default.aspx>. No external assurance is made regarding the Company's sustainability reporting.

⁹ USD/kg WFE.

MAIN MARKETS (Tons)



In addition to the Group's Atlantic salmon operations, the Company's profit from its existing trout concessions in the Reloncaví Estuary, that has been temporarily contributed to a joint venture established between the Company, Caleta Bay and Kabsa S.A. and which operates under the Caleta Bay flag (Gibraltar) (the "**Caleta Bay Trout Joint Venture**" or the "**Caleta Bay JV**"). Operations carried out by the Caleta Bay JV has increased the Group's annual revenues and profits. As at 31 December 2016, the Caleta Bay JV had exported in total 10,800 tonnes trout to countries in Asia, Europe, North America and South America. The Caleta Bay JV has a 6 year agreement (2017 - 2023) to produce on average approximately 13,000 tonnes WFE per year until 2023. The following figure illustrates the Group's expected harvest figures from the Caleta Bay JV:



The Caleta Bay JV is governed by a joint venture agreement between Salmones, Caleta Bay and Kabsa S.A. (the "**Caleta Bay JV Agreement**") which will expire in 2023. Pursuant to the Caleta Bay JV Agreement, Salmones contributes farming sites (currently 8 farming sites in the Los Lagos region), Caleta Bay is responsible for the operation of the Caleta Bay JV and Kabsa S.A. is responsible for financing the operations. Following expiration of the Caleta Bay JV Agreement, Salmones will control the production rights belonging to the farming sites. The Company's participating interest in the Caleta Bay JV entitles the Company to 33.33% of the net profits. As of March 2017, the total profits generated by the Caleta Bay JV to Salmones was USD 4.9 million.

Salmones has offices plants, farming sites and sales points throughout Chile. The Camanchaca Group's sales team is also positioned in other parts of the world, with both offices and representatives. As such, the Camanchaca Group has an International position as a secure and reliable supplier of marine products. This facilitates a broad market development in a direct and effective manner as well as enabling long-term relationships with important retail, food service and distribution customers throughout the world. Salmones' products have world-wide reach through an agreement with the Camanchaca Group, which enables the Company's to use the Camanchaca Group's sales channels.

The Company has an ownership interest equal to 25% of the shares in New World Currents with three other Chilean salmon producers. The purpose of New World Currents is to satisfy the Atlantic salmon demand in the Chinese market. Exportations to the Chinese market are carried out through air shipments of whole fresh fish, where the increase in air shipments has resulted in an increase in the distribution expenses. Accordingly, the Company is focusing on finding solutions to target the most attractive markets, i.e. the markets with the best raw material yield based on a short and medium-term analysis.

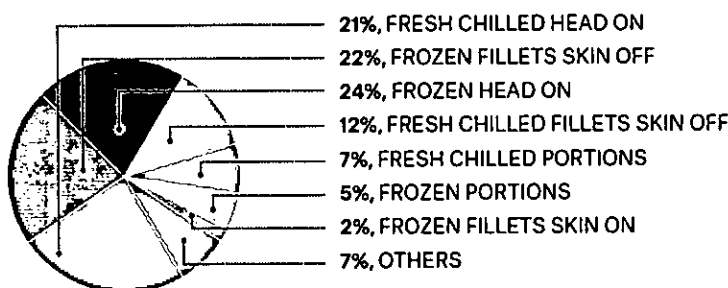
8.7.2 Products

The Group sells and exports both frozen and fresh high value-added Atlantic salmon to the international market. Sales are done through the well-established brands Camanchaca Gourmet, Pier 33 Gourmet and New World Currents brands, which target end-buyers wherever possible (mainly in North America). As of 31 December 2016, approximately 94% of the Group's products were sold through the Camanchaca Gourmet brand, approximately 3.1% through the Pier 33 Gourmet and approximately 2.9% through the New World Currents.

In January 2018, The Company entered into distribution agreements with Compañía Pesquera, Camanchaca, Inc. and Camanchaca Limited (Kabushiki Kaisha Camanchaca), each a wholly owned subsidiary of Compañía Pesquera (the "**Distribution Agreements**"). The Distribution Agreements sets out the terms and conditions under which Camanchaca, Inc. and Camanchaca Limited, respectively, operates as sales agents (the "**Sales Agents**") on behalf of the Company and is a continuation of the contractual relationship between Compañía Pesquera and the Sales Agents pursuant to which the Sales Agents sells and markets products on behalf of the Camanchaca Group. Under the Distribution Agreements, the Sales Agents will promote, distribute and sell the Company's products to clients on the international market under Compañía Pesquera's trademarks and in this way use Compañía Pesquera's existing marketing and sales channels, i.e. Camanchaca Gourmet and Pier 33 Gourmet (See Section 8.16 "Intellectual property rights" for further information about the Company's right to use of intellectual property owned by Compañía Pesquera). Pursuant to the terms and conditions of the Distribution Agreements, the Sales Agents are awarded a sales commission varying between 1.5% and 4% of all sales made on behalf of the Company.

The figure below illustrates the percentage of product type sold as of 31 December 2016.

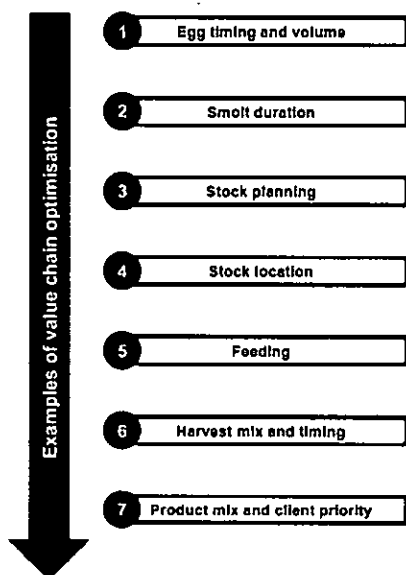
SALES BY PRODUCT TYPE (%)



8.8 Infrastructure and information technology

The Group's systems for infrastructure and Information Technology ("IT") for front-end and core applications are mainly licensed or purchased from third party hardware and software manufacturers. The Group has an in-house IT department which supports the organisation with stable, efficient and cost-effective IT solutions. The Group's employs its best efforts to establish suitable supporting infrastructure in order to enable effective and responsive operations throughout its integrated value chain (See for example Section 8.4.3 "Extraordinary events" for the Managements responsiveness), and to support timely, relevant and reliable information for business decision-making.

The Group has implemented the PanLogica Neptune ("**PanLogica**") aquaculture software system in its value chain and IT systems. PanLogica is an industry-leading software which provides unique technology that analyses millions of scenarios in order to identify the best decision, using the Group's biological, financial and manufacturing data in order to calculate the Group's best financial option at each stage of its production process.



The Group believes that modern IT solutions and tools are important factors for the efficiency demanded in its harvesting, processing and distribution processes, as well as to maintain and develop a sustainable and environmentally friendly salmon farming operations. The Group utilises various software solutions to control farming relevant data and key performance indicators ("KPIs"), biomass, mortalities, feeding, treatment as well as to optimise planning, including best possible outcomes for harvesting, processing, storage and sales. The Group is always aware of the new tools or features and seeks to enhance and optimise their use in order to promote efficiency and results.

The Group has also recently implemented SAP, launched at the Company in August 2017, replacing previous ERP Movex. The main models implemented include the following:

- FI: Finance/Accounting
- CO: Controlling
- AM: Fixed assets
- MM: Purchasing process and material management
- SD: Sales & Distribution, including logistics
- PP: Production
- QM: Quality management
- WMS: Warehouse management (only for main warehouse)
- PM: Maintenance
- BO: Business Intelligence
- Integration to other systems: Payroll (HR), DBNET (electronic invoices) and Mercatus (farming)

In addition, the Group extensively use Mercatus: Aquafarmer, Aquafuture and Aquafinance, which is utilised to control farming relevant data and KPIs: Biomass, mortalities, feeding, conversion rates and treatments.

8.9 Property, plants and equipment

Salmones headquarters are located at Avenida El Golf N° 99, 10th floor, Las Condes 7550125, Santiago, Chile. The rent on this property expires on 1 August 2019. The Company does not expect any material increase in lease payments. Across the world, the Company has 6 commercial offices and commercial representative offices (all leased), 20 facilities 5 are owned fresh water facilities and 15 are owned sea water facilities, 74 aquaculture concessions and 3 processing plants (all owned).

8.9.1 Property

The table below sets out certain key information relating to the most significant commercial offices where the Company is represented:

Location	Products	Segment	Owned/rented ¹
Santiago, Chile	Headquarter and commercial sales office	Atlantic salmon	Rented
Miami, United States ²	Commercial sales office	Atlantic salmon	None
Tokyo, Japan ²	Commercial sales office	Atlantic salmon	None
Vigo, Spain ²	Commercial sales office	Atlantic salmon	None
Shenzhen, China	Commercial representative office	Atlantic salmon	Rented
Ciudad de Mexico, Mexico	Commercial representative office	Atlantic salmon	Rented

¹ The rented premises are subject to a rental contract, which does not regulate encumbrances.

² The Miami and Tokyo commercial sales offices are owned and operated by Camanchaca, Inc. and Camanchaca Limited (Kabushiki Kaisha Camanchaca), which are both wholly owned subsidiaries of Compañía Pesquera. The Spain commercial sales offices are operated by Compañía Pesquera.

It is the Company's opinion that its premises and properties are sufficient both for its current business and for the foreseeable future.

8.9.2 Plants, facilities and equipment

The Group's main fixed assets are the Group's freshwater and sea water farming sites, processing plants, land and machinery. Each of the Group's farming sites that are being utilised are equipped with the required production equipment, including moorings, cages, feeding barge and housing facilities. Management believes that all items of its property, plants and equipment have fair values that are not significantly different from their book values. As of 30 September 2017, plant and equipment, buildings and land had a book value of USD 159,162 thousand or 96.5% of the total property, plant and equipment book value of USD 165,011 thousand as of 30 September 2017. The Company is of the opinion that there are no major encumbrances on its plants, facilities and equipment, other than those in the benefit of the banks (i.e. on the San José slaughtering plant and the hatchery in Petrohué) and the ones described in the investment plans.

The table below sets out certain key information relating the Group's plants and facilities:

Location	Name	Products	Segment	Owned/leased
Calbuco	San José	Atlantic salmon	Harvest and processing	Owned
Quellón	Surproceso ¹	Atlantic salmon	Processing	Owned
Bío Bío	Tomé	Atlantic salmon	Processing	Owned
Antuco, commune de Tucapel	Polcura	Atlantic salmon	Hatchery	Owned
Fundo El Maqui, commune de Purránque	Río de la Plata	Trout	Hatchery	Owned
Playa Maqui, Frutillar	Playa Maqui	Trout	Hatchery	Owned
Puerto Varas	Río del Este	Atlantic salmon	Hatchery	Owned
Puerto Varas	Río Petrohué	Atlantic salmon	Hatchery	Owned
Aysén region	Izaza	Atlantic salmon	Farming site	Owned
Communa de Hualaihué	Puelche	Atlantic salmon	Farming site	Owned
Communa de Hualaihué	Mañihueco	Atlantic salmon	Farming site	Owned
Communa de Hualaihué	Contao	Atlantic salmon	Farming site	Owned
Los Lagos region	Edwards	Atlantic salmon	Farming site	Owned
Los Lagos region	Licha	Atlantic salmon	Farming site	Owned
Los Lagos region	Johnson 2	Atlantic salmon	Farming site	Owned
Los Lagos region	Forsyth	Atlantic salmon	Farming site	Owned
Los Lagos region	Marilmo	Atlantic salmon	Farming site	Owned
Los Lagos region	Loncochalagua	Atlantic salmon	Farming site	Owned
Los Lagos region	Porcelana	Atlantic salmon	Farming site	Owned
Los Lagos region	Cahuelmo	Atlantic salmon	Farming site	Owned
Los Lagos region	Ahoni	Atlantic salmon	Farming site	Owned
Los Lagos region	Leptepu	Atlantic salmon	Farming site	Owned
Los Lagos region	Pilpilehue	Atlantic salmon	Farming site	Owned
Los Lagos region	Cabudahue	Atlantic salmon	Farming site	Owned
Los Lagos region	Puerto Argentino	Atlantic salmon	Farming site	Owned
Los Lagos region	Fiordo Largo	Atlantic salmon	Farming site	Owned

¹ The Surproceso plant is owned by Surproceso, in which the Company has a 33.33% ownership interest.

Below is an overview of the capacity at the Company's significant plants:

- **San José (Calbuco, Los Lagos Region)** has a capacity of 80,000 – 85,000 fish per day, which enables the Company to also process fish from other producers and export whole and fresh salmon directly to Brazil, China and Argentina, among other markets. The plant's capacity is 50% utilised by the Company. The Company expects that the San José plant will process approximately 58,000 tonnes in 2018 of which 33,700 tonnes or 58% are expected to be the Group's products.
- **Surproceso (Quellón, Los Lagos Region)**: has a capacity of 115,000 fish per day, which processes fish from grow-out sites in the Aysén Region and also from sites in the southern area of the Los Lagos region. During 2018, it is expected that the Surproceso plant will process approximately 137,000 tonnes of which 18,000 tonnes or approximately 18% of the total capacity is the Group's products. The remaining process capacity is utilised to process products from third party salmon companies.
- **Tomé (Bío Region)**: has a capacity to process up to 250 tonnes of raw material each day into product types such as fresh and frozen fillets, fresh and frozen portions, whole frozen, among other products. The plant processes fillets, portioned fish and other value-added products. Approximately 80% of the Company's harvest volumes is processed at the Tomé plant. As of 30 September 2017, the Tomé plant had 922 employees and process only the Group's products. The total annual process capacity is approximately 75,000 tonnes and is expected to be utilised approximately 53% in 2018.
- **Río Petrohué hatchery (Puerto Varas Region)**: has a capacity of up to 12 million smolts (100g) per year. The Petrohué hatchery produces the Group's smolt and during 2018 it is expected that approximately 11 million smolt will be produced, corresponding to approximately 90% utilisation.

The Company is not aware of any material contamination at the harvest and processing plants, hatcheries and farming sites. There are no pending investigations or remediation actions imposed on the Group that affects the utilisation of these properties as they are currently utilised. For more information on Chilean regulation of salmon farming and licenses required for the Group to utilise its property, facilities and equipment, see Section 8.12 "Regulation of fish farming in Chile". Other than compliance with the environmental regulations and standards described further in Sections 8.12 "Regulation of fish farming in Chile" and 8.14 "Environmental, health and safety matters", the Company is not aware of any environmental issues that may affect its utilisation of its property and plants. For more information on the Group's primary environmental focus areas in order to facilitate an environmentally sustainable utilisation of its property, plants and equipment, reference is also made to section 8.15.2 "Environmental sustainability in the Group's salmon farming operations".

8.9.3 Concessions

The Group's concessions are held by Salmones and its subsidiary Fiordo Blanco (the "Subsidiary"). The table below sets out an overview of all of the Group's concessions:

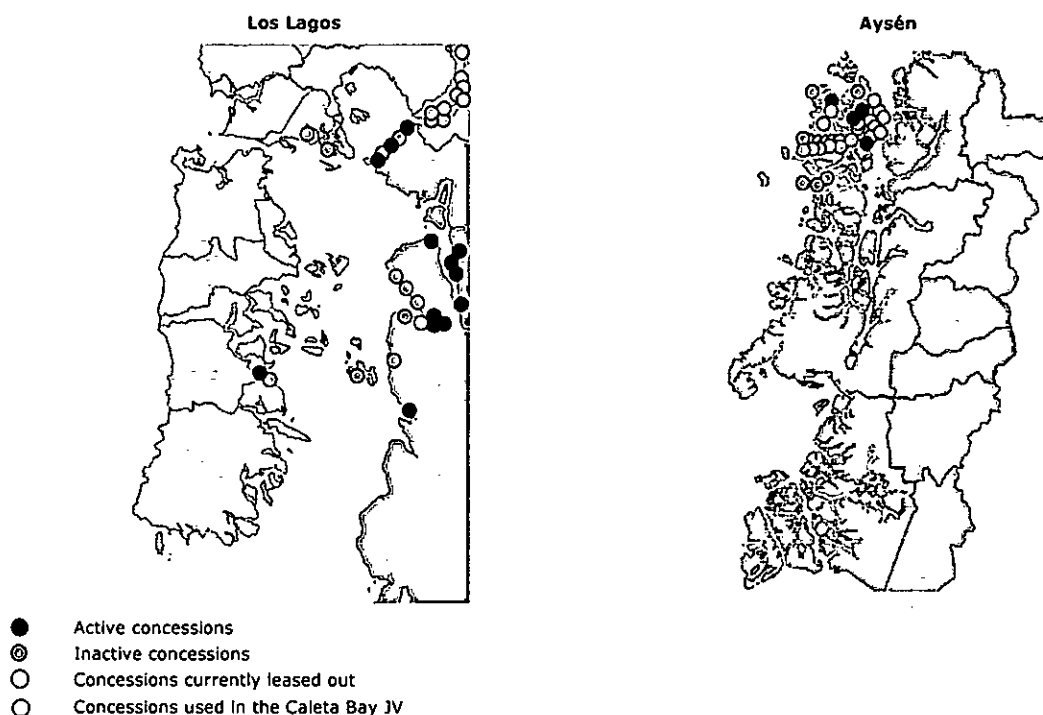
#	Neighbourhood	Name	Code	Concession holder	Kind
1	1	Chaiquén	100255	Salmones	Salmonidae
2	1	Pucheguin	103517	Salmones	Salmonidae
3	1	Costa de Pucheguin	103704	Salmones	Salmonidae
4	1	Marimelli	100603	Salmones	Salmonidae
5	1	Farellones	100602	Salmones	Salmonidae
6	1	Río Chilco 1	103900	Salmones	Salmonidae
7	1	Chilco 2	104234	Salmones	Salmonidae
8	1	Cascajal	103673	Salmones	Salmonidae
9	1	Factoría	104090	Salmones	Salmonidae
10	2	Puelche	101922	Salmones	Salmonidae
11	2	Mañihuelco	102682	Salmones	Salmonidae
12	2	Contao	102262	Salmones	Salmonidae
13	2	Río Chagual	103527	Salmones	Salmonidae
14	2	Aulen	102622	Salmones	Salmonidae
15	3b	San José	100227	Salmones	Salmonidae
16	3b	Peñasmó	101846	Salmones	Salmonidae
17	10b	Pilpilehue	101690	Salmones	Salmonidae
18	10b	Ahóni	102418	Salmones	Salmonidae
19	10b	Terao	102673	Salmones (Renounced)	Salmonidae
20	14	Pumalín	101558	Fiordo Blanco	Salmonidae
21	14	Islotes	102178	Fiordo Blanco	Salmonidae
22	15	Edwards	102424	Fiordo Blanco	Salmonidae
23	16	Yelcho	102914	Fiordo Blanco	Salmonidae
24	16	Chilco	100659	Fiordo Blanco	Salmonidae
25	16	Fiordo Largo	102186	Fiordo Blanco	Salmonidae
26	16	Cabudahue	102333	Fiordo Blanco	Salmonidae
27	16	Pillán	100662	Fiordo Blanco	Salmonidae
28	16	Nieves	100661	Fiordo Blanco	Salmonidae

29	16	Puerto Argentino	100660	Fiordo Blanco	Salmonidae
30	16	Refihue 3	102829	Fiordo Blanco	Salmonidae
31	17a	Loncochalgua	102765	Fiordo Blanco	Salmonidae
32	17a	Porcelana	102083	Fiordo Blanco	Salmonidae
33	17a	Leptepu	102082	Fiordo Blanco	Salmonidae
34	17a	Cahuelmó	102812	Fiordo Blanco	Salmonidae
35	17a	Piedra Blanca	102868	Fiordo Blanco	Salmonidae
36	17a	Marilmó	102813	Fiordo Blanco	Salmonidae
37	18b	Arbolito	110492	Salmones	Salmonidae
38	18b	Lamalec	110463	Salmones	Salmonidae
39	18b	Noreste Garrao 1	110746	Salmones	Salmonidae
40	18b	Estero Piure	110623	Salmones	Salmonidae
41	18b	Filomena 2	110737	Salmones	Salmonidae
42	18b	Este Lamalec	110934	Salmones	Salmonidae
43	18b	Este Filomena	110494	Salmones	Salmonidae
44	18c	Chonos	110462	Salmones	Salmonidae
45	18c	Licha	110561	Salmones	Salmonidae
46	18c	Garrao	110660	Salmones	Salmonidae
47	18c	Estero Gallo	110464	Salmones	Salmonidae
48	18c	Suroeste Leucayec	110860	Salmones	Salmonidae
49	18c	Canal Piure	110469	Salmones	Salmonidae
50	18d	Francisco	110457	Salmones	Salmonidae
51	18d	Este Jechica	110747	Salmones	Salmonidae
52	18d	Sur Garrao	110493	Salmones	Salmonidae
53	18d	Sur Jechica	110766	Salmones	Salmonidae
54	18d	Weste Filomena	110500	Salmones	Salmonidae
55	18d	Carmencita	110859	Salmones	Salmonidae
56	18d	SWeste Filomena	110562	Salmones	Salmonidae
57	19a	Forsyth	110768	Salmones	Salmonidae
58	19a	Johnson 1	110817	Salmones	Salmonidae
59	19a	Johnson 2	110772	Salmones	Salmonidae
60	19a	Mldhurst	110937	Salmones	Salmonidae
61	20	Tahuenahuec	110632	Salmones	Salmonidae
62	20	Benjamín	110600	Salmones	Salmonidae
63	20	King	110605	Salmones	Salmonidae
64	20	Punta Alta	110624	Salmones	Salmonidae
65	20	Sin Nombre	110599	Salmones	Salmonidae
66	20	Sur Izaza	110644	Salmones	Salmonidae
67	20	Martita	110759	Salmones	Salmonidae
68	20	Paso Lautaro	110756	Salmones	Salmonidae
69	20	Sweste Tahuenahuec	110601	Salmones	Salmonidae
70	20	Sureste Izaza	110598	Salmones	Salmonidae
71	20	Puerto Róbaló	110755	Salmones	Salmonidae
72	21d	Williams 1	110707	Salmones	Salmonidae
73	21d	Williams 2	110725	Salmones	Salmonidae
74	21d	Williams S2	110938	Salmones	Salmonidae
75	N/A	Playa Maqui	100507	Salmones	Salmonidae

The Group is currently leasing out five concessions in the Los Lagos and Aysén regions. The table below sets out an overview of the concessions leased out by the Group:

Site	Region	Average annual harvest ¹	Lessee	Expiry of lease
Isla Francisco	Aysén	2,600	Australis	January 2018
Cabudahue	Los Lagos	1,900	Caleta Bay	May 2018
Filomena 2	Aysén	2,125	Australis	July 2018
Johnson 1	Aysén	2,500	Cermaq	January 2019
Weste Filomena	Aysén	2,550	Australis	January 2019

¹ Provided in tonnes WFE. Figures are based on the Company's own estimate.



8.10 Legal proceedings

From time to time, the Company and other companies in the Group are involved in litigation, disputes and other legal proceedings arising in the normal course of its business.

In October 2017, the National Fishing and Aquaculture Service ("**Sernapesca**") took legal actions against the Company for its alleged failures in conjunction with the sinking of Seikongen close to the Pilpilehué hatchery. The complaints made by Sernapesca may lead to a sanction of the Company. In addition, regulatory legal proceedings have been initiated against the Company on the same basis and may lead to a sanction of the Company.

With the exception of the above, neither the Company nor any other company in the Group is, nor has been during the course of the preceding twelve months, involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any pending or threatened proceedings.

8.11 Material contracts outside ordinary course of business

Neither the Group nor any member of the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, the Group has not entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any obligation or entitlement.

8.12 Regulation of fish farming in Chile

8.12.1 Introduction

The legal framework applicable to the Chilean salmon farming industry is the General Law for Fisheries and Aquaculture (the "**GLFA**"). The GLFA regulates the aquaculture sea licenses and the process on how to obtain them, the general environmental and sanitary requirements, and also entitles the Chilean Government to further regulate the details of the above-mentioned law. The GLFA also contains the sanctions for violation of its rules and the procedures and expiration of the aquaculture sea licenses.

The Group's operations are governed by the Regulation on Aquaculture Concessions and Authorisations (D.S. 290/1993) ("**RACA**"), the Aquaculture Environmental Regulation (D.S. 320/2001) ("**RAMA**"), the Regulation for protection, control and eradication measures for high diseases for the hydro biological species (D.S. 319/2001) ("**RESA**"), and the National Fishery and Aquaculture Service Resolutions ("**NFASR**").

RAMA

RAMA regulates on a detailed level the environmental obligations applicable to the aquaculture production activity in terms of, e.g. cleaning procedures, disinfections, etc. RAMA further establishes the aquaculture's own instruments for preserving the environment and especially regarding the oxygenation of the sediment.

RESA

RESA regulates on a detailed level the sanitary aspects of aquaculture production activity in terms of, e.g. farming density groupings of the sea farming licenses, drug application, etc. RESA provides the Chilean National Fishery and Aquaculture Service with a mandate to determine the specific details of various activities set out in the RESA regulation, including sanitary programs.

NFASR

NFASR consists of several various regulations which determine the protection and control measures needed in order to avoid the introduction of high risk diseases that affect the hydro biological species, such as (i) those species that come from the farming activity for any purpose or in its wild stage; (ii) those that will isolate themselves in case any of these things should occur and (iii) those that avoid the spreading and promote its eradication. The regulations that constitute NFASR applies to the farming, transporting, repopulating, washing, processing, disinfecting activities amongst other activities related to aquacultural farming.

8.12.2 Licenses for fish farming in Chile

Aquaculture activities may only be performed in areas declared suitable for the development of such activities. In addition, such activities, depending on the amount of annual production, must be submitted to the Environmental Impact Assessment System (the "**EIA System**") managed by the environmental authority (*Servicio de Evaluación Ambiental*), which may grant an environmental approval resolution (*Resolución de Calificación Ambiental (RCA)*). The aforementioned approval will include terms and conditions under which the relevant aquaculture project is authorised to operate, notwithstanding other sectorial permits which may be required depending on the specific characteristics of the activity or specific project.

Pursuant to the GLFA and the RACA, aquaculture activities, i.e. fish farming, shall be performed according to the aquaculture concession system, which is mainly based on two authorisations which jointly determine the concessions' characteristics, surface, location and coordinates, duration, authorised species, production limits and the annual aquaculture licenses fees. The first authorisation is for the concession's activities schedule and the technical project for its operation (the "**Operational Authorisation**") and is reviewed and approved by the Undersecretary of Fishery, who reports to the Chilean Economy Ministry. Under the Operational Authorisation the right to operate an aquaculture facility is granted, although certain technical requirements for the operations are imposed, e.g. specific geographic area, defined animal species, specified limit of production or stocking density, and prior authorisation of an aquaculture concession. The density limit shall be determined considering production, sanitary and environmental conditions. Having a concession does not give the owner a right to stock fish in itself; it is a pre-requisite, but other requisites are needed. The Operational Authorisation has an infinite lifetime and can be traded.

The second authorisation is issued by the Undersecretary of Armed Forces, under the control of the Chilean Defence Ministry. Such concession consists in a permission to use national areas, such as sea, lakes, beaches, etc., just for the purposes of developing a specific technical project (as mentioned above), i.e. an "**Area Authorisation**". After the issuance of the Operational Authorisation and the Area Authorisation, the aquaculture concession and its holder shall be registered in the National Aquaculture Register (*Registro Nacional de Acuicultura*), which is managed by Sernapesca. The concessions shall also be registered before the Aquaculture Concessions Register (*Registro de Concesiones de Acuicultura*), managed by the Undersecretary of Fishery. Within three months from publication of the resolution issued by the Undersecretary of Armed Forces (i.e. the Area Authorisation), the concession's holder shall request its physical delivery before the maritime authorities.

In addition, freshwater facilities and hatcheries are subject to different governmental authorisations that relate to the environmental conditions. Freshwater aquaculture facilities shall only be operated by companies with ownership of the water rights and environmental permits, which are issued upon compliance with the applicable environmental regulations. Fresh and seawater facilities are allocated based on an application process in which applicants are required to describe a plan for complying with environmental and other regulations and explaining the proposed operations. Since 2010, Operational Authorisations have been issued with a term of 25 years followed by a renewal option of additional 25 years. Once licenses are issued, operations must be initiated during the first year and the license holder shall not suspend production for more than two consecutive years. In Chile, the Operational

Authorisation will depend on the granted environmental authorisations related to the physical and oceanographic characteristics of each environmental authorisation.

In Los Lagos and Aysén regions, It is currently not possible to request new sea concessions for fish farming. A total of 1,252 salmon sea licenses have been granted in these regions, spread across 82 Sea License Groupings (ACS); 24 In Los Lagos region, 37 In Aysén region and 21 In Magallanes region. Licenses in the Los Lagos and Aysén regions follow a 24 month cycle during which a three month period without fish in the sea in the entire ACS is required. From 2016 new regulations stipulates that licenses not in use are required to commence operations within 3-4 years or otherwise will expire. It is estimated that approximately 33% of the concessions are operative, depending on the production development plan for each authorisation holder. Since 2010, the new Operational Authorisations changed the life term which have been issued on 25 years terms followed by a renewal option for additional 25 years.

The annual license fee payable by the license holders is approximately USD 1,500 per hectare. The license holders can sell or rent the license (See Section 8.9.3 "Concessions" for information about the licenses currently leased by the Group).

Pursuant to new regulations in Chile, smolt release is established as the growth key parameter.¹⁰ Both individual and regional performances are evaluated. If a region has below 10% mortality rate, each farmer gets a biosecurity score based on (i) the neighbourhood's (ACS) mortality in the previous cycle; (ii) the targeted increase in smolt release in the neighbourhood based on stocking plans communicated to the Regulator and (iii) the environmental impact of the utilized concessions in the neighbourhood. This score then determines the MAB density (at harvest in terms of kilos on each cubic meter) for the neighbourhood's farmers in the next cycle.

8.13 Insurance

The Group has several insurance policies, including business interruption and customary product liability insurance, which, *inter alia*, includes global product liability coverage, port operations and protection and indemnity (P&I insurance - covering maritime liability risks associated with the operation of vessels), as well as maritime hull insurance. In addition, the Group has real property insurance, which in addition to cover buildings and installations also covers industrial property and plants, warehouses, equipment, etc. The Group also has a separate policy for aquaculture equipment necessary for the Group's activities on a named perils basis and biomass insurance for its breeding and farming centres (both freshwater and sea farm). All employees are covered by the Group's life and health insurance and workers' compensation (See Section 12.10 "Employees" for further information). In addition to the aforementioned policies, the Group has a stock throughput policy (STP) which is especially designed to cover risks related to the Insured's trade, thus including raw material, semi-finished and finished products. The Group also has a credit insurance, under which it is covered against payment defaults from all domestic and foreign (export) sales.

In addition, a directors' and officers' (D&O) liability insurance scheme with worldwide reach is in force for the members of the Board of Directors and Management. The Company considers the Group to be adequately covered with regard to the nature of the business activities of the Group and the related risks in the context of available insurance offerings and premiums. Management regularly reviews the adequacy of the Group's insurance coverage. However, a disclaimer need to be made as no assurance can be given that the Group will not incur in damages that are not covered by its insurance policies nor that damages will not exceed the coverage limits of such insurance policies. However, based on previous experience, the combination of coverage provides a reasonable protection on a consolidated basis.

8.14 Environmental, health and safety matters

8.14.1 Introduction

Aquaculture of salmonids (i.e. farming and harvesting of salmon), processing and production, as well as distribution of fish products, all have some impacts on local ecosystems and environment. From an environmental perspective, the aquaculture industry in Chile faces certain challenges mostly related to sea bed pollution, fresh water contamination in those open facilities, carbon footprint insofar as airfreight are used, sustainability of salmon feed ingredients, predators, use of chemicals in sea lice treatments, excess use of anti-biotics for certain endogenous diseases, mortality disposal, among others. None of these, however, directly affect the quality and safety of the salmon as a food product.¹¹

¹⁰ Compared to, e.g. Norway where it is a biomass-regulated growth regime.

¹¹ <https://salmonfacts.com/salmon-and-environment/what-is-sustainability/>

Management is aware of the impact the Group's business has on its surroundings. Protecting the environment by facilitating sustainable and responsible salmon farming and processing operations is therefore one of the Group's main interests and focus areas. The Group's sustainable development emphasises environmental, economic and social conditions, and tries to find balance between these three aspects. Therefore, the Group's operations are and will be designed to reduce and mitigate environmental effects of its operations in order to make salmon farming, processing and distribution sustainable in the long-term. An example of the Group's sustainability commitment is its membership in the GSI, an initiative founded by the largest global farmed salmon producers (approximately 50% of the world production) that seeks to make significant progress on sustainability within the salmon industry (See Section 8.2 "Competitive strengths" for information about the Group's membership in organisations). Objectives under this initiative are, among other, improvements in biosafety, increased sustainability of salmon feed and harmonisation and standardisation of sustainability. As a GSI founding member, the Group has committed to obtain certification from the Aquaculture Stewardship Council by 2020, to the majority of its farming sites, and has currently certified one farm site and two salmon processing plants (Tomé and San José) under the Aquaculture Stewardship Council Chain of Custody standard.

To mitigate the environmental hazards caused by the Group's business, the Group strives to maintain a business model that fulfils objective standards and meet requirements from global sustainability organisations such as Environmental Impact Assessment ("EIA"), Aquaculture Stewardship Council, Best Aquaculture Practices and GLOBAL G.A.P. The Group is the world's first salmon producer to earn three BAP stars, which illustrates the Group's solid commitment to sustainable salmon farming. The Group has now received four BAP stars in the following processes: (i) Sea grow-out sites; (ii) Tomé processing plant; (iii) manufacturing of salmon feed (suppliers); and (iv) fish farming at the Petrohué hatchery, thereby certifying the Group's full value chain, which is in adherence with program standards that measure and assess environmental and social responsibility, animal welfare, food safety and transferability. Furthermore, the Group has certified all egg production under GLOBAL G.A.P. For further information, reference is made to Sections 8.15.2.1 "Waste management" to 8.15.2.7 "Health and safety matters".

8.14.2 Environmental sustainability in the Group's salmon farming operations

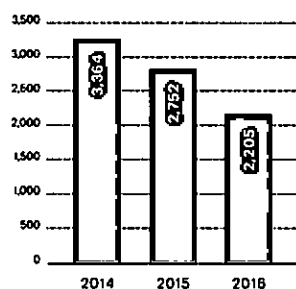
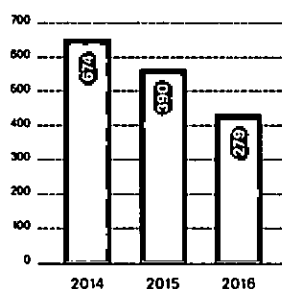
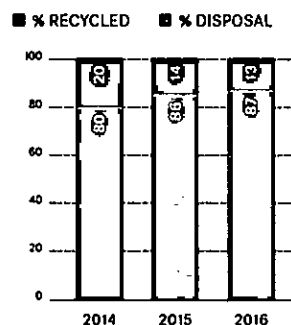
The Group's salmon farming is focus on the entire production process, from eggs to harvest and distribution. Accordingly, the Group's area of environmental influence comprehends rivers in the foothills, lakes, estuaries, fjords and canals that runs into the ocean. In addition, the Group has both primary and value-added processing plants and distribution and sales operations, which impact somewhat the local environment through e.g. waste, greenhouse gas emissions, and logistics. The Group believes that organising its business model and its entire value chain towards a more environmentally sustainable process, among other things, will lead to greater efficiency in production, improve business performance and reduce waste of vital resources. The Group's primary focus areas in order to maintain an environmentally sustainable and viable business model and to progressively improve its environmental performance are described in the sections below.

8.14.2.1 Waste management

The Group has implemented environmental waste management programs to ensure that its business is in compliance with applicable regulations, as well as an overall adoption of strict international standards with regard to proper waste management. Due to the Group's focus on environmental issues, the Group itself has also defined internal objectives and goals to ensure proper waste management, maintaining sea water quality at the Group's grow-out sites, efficient energy use throughout the value chain and other efforts to reduce its total emission of greenhouse gases.

The Group's waste management policies were implemented in all its facilities more than eight years ago, and includes responsible waste production and proper waste management. The Group has service contracts with recycling companies in Chile, which recycle paper and cardboard waste generated in its administrative offices. Different kinds of industrial and production waste, such as plastic, styrofoam, steel and other recyclable materials from the farm sites located between the Los Lagos and Aysén regions are sent to the administrative offices for recycling. Waste that is not recyclable is disposed at authorised locations.

Below is an overview of waste generated by the Company in the 2014 – 2016 period, as well as the recycling volume and recycling ratio. The Company recycles 130 kilograms of waste for every metric ton generated.

WASTE GENERATED
WASTE (TON)WASTE RECYCLED
WASTE (TON)RATIO OF WASTE
DISPOSAL VERSUS
RECYCLED (%)

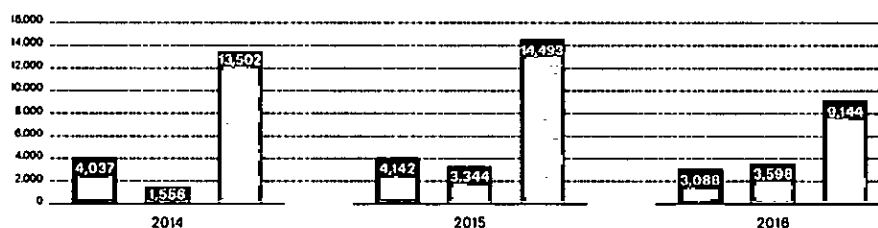
8.14.2.2 Nutrient recovery

The Group has implemented procedures for nutrient recovery to selectively extract disposed materials from its operations for a specific use such as recycling, composting or energy generation in order to extract the maximum benefits from products, delay the consumption of virgin resources and reduce the amount of waste generated. The Group accordingly recovers biological waste generated from its operations, which includes mortalities from the farm sites, guts, trimmings and bones at the San José and Tomé processing plants. This biological waste is sold to direct reduction plants and transformed into usable products. The sludge generated in the Río Petrohué, Río del Este and Río de la Plata hatcheries is treated using earthworms and later used as humus on the grounds at Group's facilities. The sludge generated by the Group's processing plants is brought to authorised industrial landfills for final disposal.

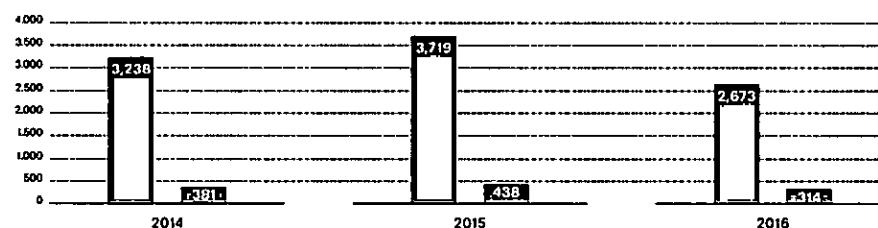
Certain nutrients recovered from the Group's operations are especially important from a human consumption perspective, such as protein and omega 3 fatty acids. Below is an overview of the Group's nutrient recovery, measured in metric tons, in which the volume is relative to total waste from the Group's operations.

NUTRIENT RECOVERY
(TONS)

■ GUTS ■ SILAGE ■ TRIMMINGS AND BONES



■ PROTEIN ■ OMEGA 3



The HAB in 2016 caused extraordinary mortality rates for the Company and the salmon farming industry in Chile. The total reuse rate was over 90%, a volume that is extraordinary compared to regular circumstances and is not reflected in the graphic above.

8.14.2.3 Water quality management

Water quality is particularly important to ecological processes as it sustains the surrounding flora and fauna and is important for the Group's production processes and the quality of its products. Accordingly, water quality management for the purposes of sustaining high quality sea water is vital for the Group's operations and end-results. Water quality management is a recurring focus area throughout the Group's operations, including its hatcheries, farm sites, slaughtering house and processing plants.

Because water is critical for the Group's operations, it is key to not only have proper water quality management routines but also maintain an efficient use of water. In addition to the Group's use and need of water in its production process, also the neighbouring surroundings and the local communities are dependent on the ability to consume a certain volume of (quality) water. This strengthens the Group's responsibility to maintain an efficient water use throughout its operations, from a socioeconomic perspective as well as an environmental and financial point of view.

Hatcheries

Reproduction is a fundamental phase in the Group's value chain (see Section 8.5.2 "Freshwater production cycle"). The reproduction stages for the Group's Atlantic salmon takes place at its hatcheries, culminating with smoltification, placing them in sea farms. Management strives to constantly improve the Group's practices and processes in this phase of the salmon farming production chain and has therefore implemented the following objectives:

- Chilean emissions regulations: The Group reports all liquid industrial waste emissions, normal industrial waste and mortalities, hazardous industrial waste and atmospheric emission to the National Waste Declaration System. The Group's hatcheries comply with all Chilean environmental regulations.
- EIA System: EIA is a tool to integrate environmental concerns and considerations into the decision-making processes and to analyse and evaluate the possible environmental impacts that decisions or activities are likely to cause on the environment. The Company has issued an Environmental Impact Statement for the modifications of its Río Petrohué hatchery (after the reopening in 2016) as part of the EIA System, which resulted in an Environmental Qualification Resolution approving the Group's operation.
- ASC: The ASC¹² is a certification program for sustainable aquaculture in which companies are inspected by an independent party before they obtained this eco-label. The Group has implemented ASC standards and its Río Petrohué recirculating hatchery is subject to ASC regulations. Included in this regulation is, *inter alia*, an environmental program that monitors the hatchery's surroundings and effluents.
- BAP: BAP¹³ is a comprehensive third-party aquaculture certification standard for seafood and encompasses the entire production chain (farms, processing plants, hatcheries and feed mills). BAP is certified to improve the environmental, social and economic performance of the aquaculture supply chain for the purposes of growing a global supply of responsibly farmed seafood. The Río Petrohué hatchery shall meet BAP requirements, which includes strict monitoring of the hatchery's effluents.
- GLOBAL G.A.P.: Global G.A.P.¹⁴ is a worldwide standard that assures customers that agricultural products (crops, livestock or aquaculture) met certain objective standards. The Global G.A.P. certification covers food safety and traceability, environment (including biodiversity), staff health, safety and welfare, animal welfare, and Integrated Crop Management (ICM), Integrated Pest Control (IPC), Quality Management System (QMS) and Hazard Analysis and Critical Control Points (HACCP). The Group's entire egg production is Global G.A.P. certified.

Farm sites

The Group's grow-out sites are located on estuaries, fjords, bays and canals throughout Los Lagos and Aysén regions. At these sites the Group has developed and implemented systems that monitor the biological and physical oceanographic variables relevant to fish farming. This includes programs for monitoring internal and external

¹² The ASC was founded in 2010 by the World Wildlife Fund (WWF) and the Dutch Sustainable Trade Initiative (IDH) to provide a world leading certification programme for the aquaculture industry. The ASC is an independent non-profit organisation which sets a standard for sustainable aquaculture for the purpose of reducing the effects the aquaculture industry has on the environment and society, this includes production processes beginning with smoltification.

¹³ BAP was developed by the GAA.

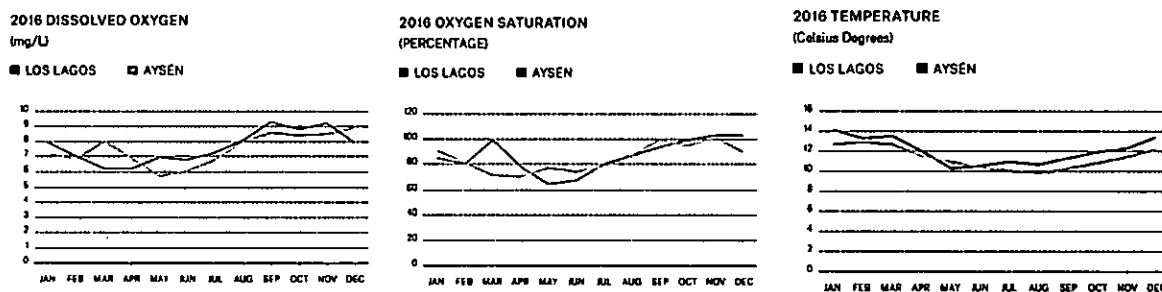
¹⁴ GAP is a global organisation, putting food safety and sustainability on the map.

phytoplankton and systems for real-time oxygen and temperature logs. Such initiatives have enabled the Group to react with contingency plans in a timely manner when faced with adverse environmental conditions like harmful algae blooms and low oxygen. Both temperature and oxygen are important parameters for the production process since it directly influences fish nourishment and wellbeing. Because fish are poikilotherms (their internal temperature varies with the environment) and their metabolic activity depends on the temperature. Suitable oxygen levels also help keep fish in an optimum metabolic state. As a result, these variables are monitored continuously at all the Group's grow-out sites.

In addition, the abovementioned EIA, ASC and BAP measures also apply to the grow-out process. As part of the Group's ASC commitment, its Porcelana farm site, located in the Comau Fjord, is ASC-certified and the Group regularly assess the biotope and benthic impact area and periodically monitors the nutrients in the water column as well as the facility's impact on its surroundings. Further, the Group has resolved that its farm sites shall meet BAP requirements, which includes strict monitoring of water quality at each of the Group's grow-out sites.

- **Environmental data:** Pursuant Chilean regulations¹⁵ all farm sites are obliged to have aerobic conditions, which are regularly subject to evaluation by Chilean authorities. All the Group's farm sites met these conditions in 2016. As at 30 June 2017, five of the Group's farm sites measured anaerobic conditions; Cabudahue (code 102333), Garrao (code 110660), Lamalec (code 110463), Licha (code 110561) and Williams 1 (code 110707).
- **Emissions:** The Group reports atmospheric conditions, normal industrial waste, mortalities and hazardous industrial waste at its farm sites, and is thus deemed to be in compliance with statutory requirements in this regard.

Below is a summary of the ongoing monitoring of temperature parameters, dissolved oxygen and oxygen saturation performed in 2016 at the Group's farm sites in Los Lagos and Aysén regions.

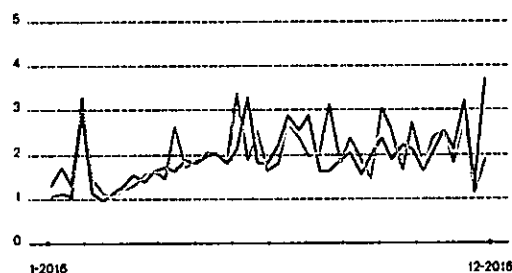


The Group also monitors and analyses the nutrients its operations may contribute to the water column (like nitrogen and phosphorus). In 2016, the Company monitored the contribution of nutrients discharged into the surroundings of the Porcelana site in the Comau Fjord in Los Lagos region.

¹⁵ Law No. 18,892 and Supreme Decree 320/2001.

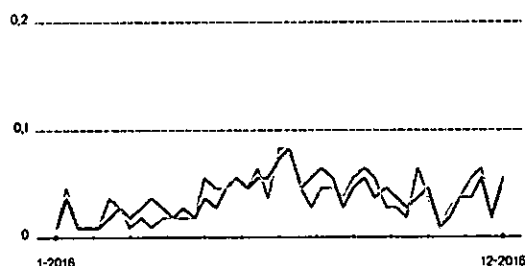
PORCELANA TOTAL NITROGEN (mg/l)

■ 500m ■ In cage



PORCELANA TOTAL PHOSPHORUS (mg/l)

■ 500m ■ In cage



Slaughtering house

At the harvesting and gutting plant located in San José Calbuco, the Group has implemented objectives to minimize the industrial waste and sludge from its production process. The Group has also implemented systems to monitor the biological and physical oceanographic variables that are most relevant for the fish in holding, awaiting harvest.

- **Emissions:** The Group reports all liquid industrial waste emissions, normal industrial waste and mortalities, hazardous industrial waste and atmospheric emissions from its slaughtering house and deems to be fully compliant with Chilean environmental regulations.
- **EIA System:** Due to the plant's characteristics, a project was submitted to the EIA System resulting in an approval of its operations by the Environmental Qualification Resolution which has been assessed by several Chilean governmental bodies. Under this project, the Group performs quarterly evaluations of various biological and physical-chemical parameters of underwater discharge, which results have indicated low environmental impacts that are well below Chilean regulatory levels.

Processing plant

Two of the Group's procession plants, Tomé and San José, have earned the ASC Chain of Custody Standard. The Group has also issued an Environmental Impact Statement for the processing plant in Tomé as part of the EIA System, resulting in the approval of its operations by the Environmental Qualification Resolution. Effluents from the Group's processing plants goes to the municipal sewage system but regulatory requirements and voluntary compliance (BAP) tables in this regard are met.

8.14.2.4 Seabed management

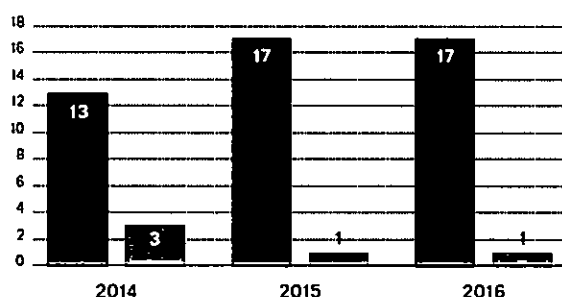
Salmon farming has an impact on the seabed. Continual managing and improvement of the seabed is a priority for the Group not only because of the environmental aspect, but also because the oxygen level in the water affects the fish's overall performance. Due to facilitate a stable seabed management, the Group has implemented ongoing programs that monitors the quality of benthic life at farming sites to verify optimum farming conditions and minimise environmental impacts. The Group's seabed monitoring programs are scheduled during the production cycle and include underwater filming, monitoring of sediment (pH and Redox) and oxygen measurements in the water column.

The results of the seabed monitoring are divided into two categories, (i) "anaerobic" and (ii) "aerobic", in which favourable evaluations are classified as aerobic and unfavourable results as anaerobic. Anaerobic conditions are present when there is a lack of free oxygen in the water. The chart below illustrates the condition on the Group's monitored concessions for the period 2014 – 2016.

CONCESSIONS STATUS

(NUMBER OF SITES)

■ AEROBIC ■ ANAEROBIC

**8.14.2.5 Antifoulant management**

The Group is committed to maintain animal welfare conditions at its sites, and uses various strategies to meet its objectives. Such strategies include keeping nets clean in order to allow water flow and good oxygenation and thus a better environment for the Atlantic salmon. As a tool in this regard, antifouling paint (i.e. underwater hull paint) is used. However, the Group has a decreasing use of antifouling paint every year as nets are replaced with in situ cleaning untreated nets. In 2016, the use of antifouling paint increased slightly, primarily because of lower annual production in the first quarter due to the HAB-related mortalities.

8.14.2.6 Energy efficiency

The Group considers important to have an efficient energy use throughout the value chain. The Group continually reviews the indicators for responsible energy use, verifying its consumption based on applicable regulatory standards and guidelines. The Group's evaluation in 2016 by energy source has revealed an increase in consumption of diesel oil and liquefied petroleum gas (LPG) at freshwater sites and reduced electricity consumption at processing plants, which has shown to be more efficient. The review also reflected that diesel oil was used to compensate for the lack of electricity available at the Río Petrohué plant following the eruption of the Calbuco volcano.

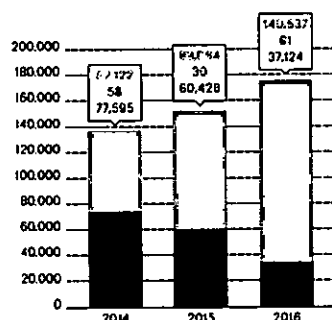
The Group has assessed its direct greenhouse gas (GHG) emissions (measured in metric tons of CO₂) based on the Greenhouse Gas Protocol, namely scope 1 and scope 2. The amount of greenhouse gas emitted from the Group's operations is divided by metric tons of fish produced (LWE) in order to provide a standardised indicator. In 2016, the CO₂ emission level rose compared to 2015. The increase is primarily explained by a revaluation on the grounds that emissions from electrical consumption at the Group's facilities were previously calculated as if they were entirely from renewable resources. However, the majority of electricity in Chile is from the Central Interconnected System (SIC), which draws on mixed sources (both renewable and fossil).

Below is an overview of the Company's energy consumption and emissions, measured in the period between 2014-2016.

ENERGY CONSUMPTION (GJ)

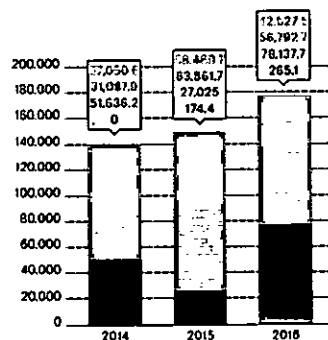
ENERGY CONSUMPTION BY SOURCE

Oil Natural gas Electricity



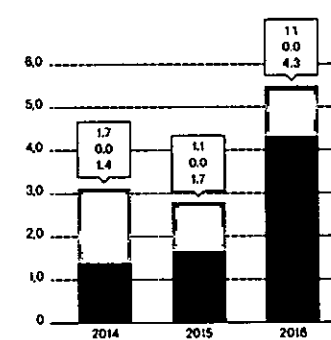
ENERGY CONSUMPTION BY AREA

Management Fresh water Sea water Processing plants



ENERGY EFFICIENCY GJ/ ton LWE BY SOURCE

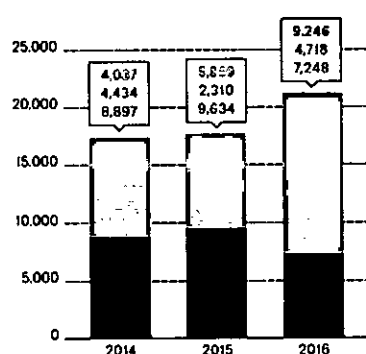
Oil Natural gas Electricity



GHG EMISSIONS

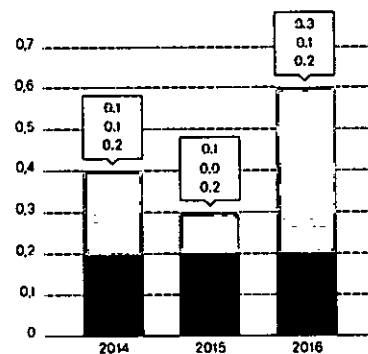
EMISSIONS BY SOURCE (t CO2-e)

Electricity Natural gas Oil



EMISSIONS INTENSITY CO2-e/ton LWE

Electricity Natural gas Oil



8.14.2.7 Health and safety matters

Fish health and welfare affects the quality of the Group's products and is critical for the Group's performance. Monitoring environmental variables in water columns, implementation of biosecurity measures, supervision of methods for delivering adequate nutrition and frequent check-ups of fish to be able to timely diagnose any disease are important aspects of the animal welfare measures the Group have implemented. The Group has established fish health guidelines that are based on those found in the OIE Aquatic Animal Health Code. The concession holders in Los Lagos and Aysén regions have entered into management agreements in which the associated parties agree on smolt transfer and fallow periods, sanitary control strategies, treatment coordination, vaccination programs and contingency plans. Such strategic management by area is essential to maintain an effective and preventative fish health management. The Group is an active participant in this regard.

The indicators in (i) to (iv) below are considered as the most important health and safety matters.

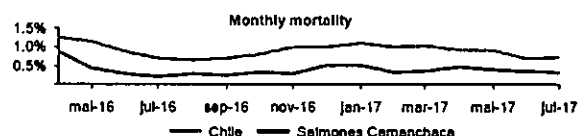
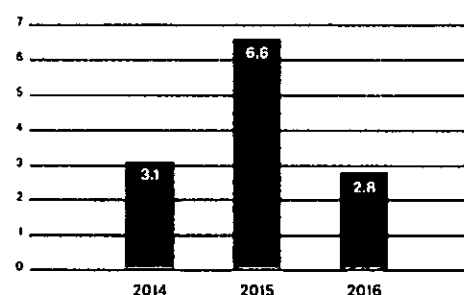
- (i) Fish health performance: Due to the impact of El Niño in 2016, the strongest in 65 years and which increased sea temperature in South American coastline, the environmental and sanitary conditions were especially negative during late 2015 and early 2016, which resulted in fish weakening with a higher incidence of SRS and sea lice, increasing both mortality and direct damage to the surviving fish in terms of a lower harvest weight. To control both diseases and for the purpose of reduce losses due to infectious diseases, the Group has adopted preventative sanitary measures. These measures do not include HAB incidents (due to such events' extraordinary character), but the use of live SRS vaccine and Lufenuron. The SRS vaccine is applied in the freshwater stage to protect the fish during the first stage of its development at

sea and is used for the purpose of reducing the use of antibiotics. In addition, Lufenuron was used to reduce treatments against sea lice in an effort to improve the life quality of the salmon.

Below is an illustration of the fish health status figure and shows the accumulated mortality of Atlantic salmon for the 2014 – 2016 period due to non-environmental causes such as SRS, thus excluding mortality due to the HAB incident¹⁶, and an illustration of the Group's monthly mortality figures compares to the aggregate in Chile. According to GSI calculations, the Group's average mortality rate for the period from November 2016 to November 2017 was 3.1%.

12-MONTH ACCUMULATED MORTALITY

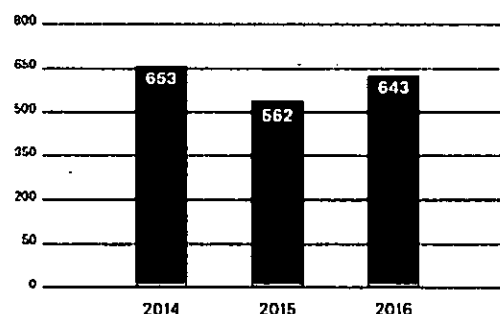
Atlantic salmon (%)



- (ii) **Sea lice treatment:** During 2016, the Group measured a volume decrease in the use of ant parasite medicine. This was primarily because the production this year was lower as a result of the HAB incident.
- (iii) **Antibiotic use:** The Group's fish health strategy is primarily a preventive policy that includes ongoing monitoring of disease by the veterinarian team, various vaccinations for all smolts, functional feeding with specific diets for each productive phase, the use of oxygen plants at all farming sites , and continuous management of the environmental conditions for the fish. Antibiotics are nevertheless used on groups of fish with clear and positive diagnoses supported by lap reports and assessments for antibiotic susceptibility, and where such use is necessary to avoid death. None of the antibiotics listed on the World Health Organization's list of Critically Important Antimicrobials for Human Medicine are used, only the antibiotics approved to be use in fish. Antibiotic use in the Group's operations is solely for medical purposes and are prescribed by a veterinarian. The Group does not use antibiotics to promote growth. The fallow periods following use of antibiotics are respected in order to ensure that treated fish can be sold to the Group's customers for the purposes of human consumption. The graph below illustrates the antibiotic use (grams of active ingredients) per live metric ton produced (LWE) and the number of antibiotic treatments per cycle in the 2014 – 2016 period.

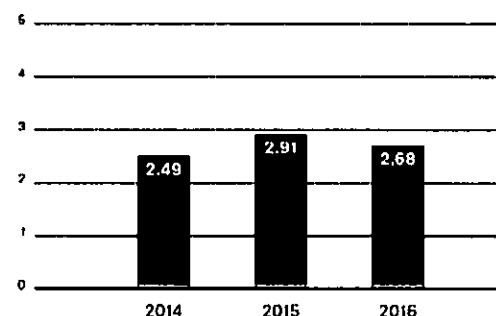
ANTIBIOTIC USE

(gAPI/ton LWE, closed cycles)



ANTIBIOTIC TREATMENTS

(number of treatments/cage)



- (iv) **Vaccination:** The Group vaccinates all fish in order to prevent the most critical diseases, including SRS.

¹⁶ Including mortality resulting as a consequence of the HAB, the adjusted percentage for 2016 is 17.8%.

8.15 Research and development, patents and licenses

An important aspect of the Group's business is the focus on research and development of Salmonidae genetics. During 2016, the main focus areas within the Group's own and sponsored research and development operations were related to the biological and technical issues in the freshwater and sea farms operations, i.e. salmon rickettsial syndrome (Piscirickettsiosis), sea lice, control, testing functional feeds and in situ net cleaning. During 2014 and 2016, the main focus areas was salmon rickettsial syndrome (Piscirickettsiosis), sea lice control and egg selection for resistance of SRS and sealice. The Group has in this connection implemented the research and development projects further described below.

Below is an overview of the research and development expenses of the Group for the years ended 31 December 2014, 2015 and 2016:

In USD

	Year ended 31 December		
	2016	2015	2014
Egg selection for resistance of SRS-sea lice	450,000	300,000	300,000
Environmental and sanitary assessment of washing nets in situ for aquaculture	1,066,711	-	-
Sea lice control protocol	14,519	14,229	13,944
Piscirickettsiosis project with Aquabench®	18,555	17,627	16,746
Testing of functional feeds (anti-sea-lice diet)	8,219	-	-
Total	1,558,005	331,856	330,690

Below is an overview of the Company's estimated research and development expenses of the Group for 2017 and 2018:

In USD

	Year	
	2018	2017
Egg selection for resistance of SRS-sea lice	600,000	450,000
Environmental and sanitary assessment of washing nets in situ for aquaculture	-	-
Sea lice control protocol	14,519	14,519
Piscirickettsiosis project with Aquabench®	18,555	18,555
Testing of functional feeds (anti-sea-lice diet)	-	-
Total	633,074	483,074

On basis of the operations during 2017, the Company has reason to believe that the estimate given with regard to research and development expenses for 2017 is accurate, and the amount of the relevant expense as of 30 September 2017 was USD 330,827.

Egg selection for resistance of SRS-sea lice

With technical and scientific support from the Pontifical Catholic University of Valparaíso, the Company has developed a genetic program that enables fish eggs production that is genetically resistant to pathogens (mainly salmon rickettsial syndrome (SRS) and sea lice).

Environmental and sanitary assessment of washing nets in situ for aquaculture

The Company has initiated a project for the assessment and comparison of the environmental and sanitary risks associated with in situ cleaning and the system of net withdrawal used in aquaculture. This project helps minimize the environmental impacts of antifouling paint as well as lowering the cost of replacing nets and the effects of sanitary outcomes.

Sea lice control protocol

Together with Aquabench® a "treatment in specific cages" concept has been introduced to the Group's business operations. This concept is an early control of sea lice to prevent an increase in spawning females in one or more cages and improves the sanitary status of fish while reducing the cost of antiparasitic baths. These baths are not required for the entire site but only for a single cage or a small number of cages.

Piscirickettsiosis project with Aquabench®

The Company has implemented a coordinated SRS prevention and control program along with other companies such as Aquachile, Blumar, Multiexport, Cermaq and others. This program is meant to reduce disease-associated losses

caused by mortality rates associated with piscirickettsiosis salmonis and the consequent use of antibiotics. Accordingly, the program is expected to improve the production efficiency, minimize the use of antibiotics in the production and reduce losses associated with SRS.

Testing of functional feeds (anti-sea-lice diet)

The three main suppliers of feeds, Skretting (a Nutreco company), BioMar and EWOS provides gonado-somatic index tested functional anti-sea-lice diets. This diet functions as a non-pharmacological tool to support the therapies currently in use to reduce sea lice in the Group's production.

Costs relating to continued research and development of the Group's business activities are expected as part of the ongoing operations of the Group.

8.16 Intellectual property rights

With the exception of certain domain names, the Company does not own any intellectual property rights. The Group's operations and its sales are made through trademarks owned and registered by Compañía Pesquera.

The Company has entered into a licensing agreement with the majority shareholder, Compañía Pesquera, which grants the Company an indefinite license to use all trademarks, logos, brand names and other intellectual property rights of importance to the operations of the Group, including the right to use "Camanchaca" as part of its company name (the "License Agreement"). The license granted under the License Agreement is worldwide, non-exclusive, non-revocable and non-transferable with the exception of the Company's Subsidiary and Associated Companies (as defined below). The License Agreement is royalty-free. The License Agreement contains customary undertakings by the Company and Compañía Pesquera including, *inter alia*, obligations to maintain the validity of the trademarks and non-infringement obligations.

8.17 Dependency on contracts, patents, licenses etc.

It is the Company's opinion that the Group's existing business or profitability is not materially dependent on any patents or licenses, industrial, commercial or financial contracts other than the Licensing Agreement relating to the Group's right to use intellectual property rights owned by the Compañía Pesquera (See Section 8.16 "Intellectual property rights"), the Distribution Agreements relating to the Group's sales structure (See Section 8.11 "Material contracts") and the Revolving Credit Facility relating to the Company's financing arrangements (See Section 11.5 "Liquidity and capital resources"). It is further the opinion of the Company that the Group's existing business or profitability is dependent on the totality of the of the Group's licenses, plants and facilities as further described in Section 8.9 "Property, plants and equipment".

9 CAPITALISATION AND INDEBTEDNESS

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 10 "Selected Financial and Other Information" and Section 11 "Operating and Financial Review", and the Financial Statements and the Interim Financial Information and related notes, included in Appendix B and C, respectively to this Prospectus.

This Section provides information about the Company's unaudited capitalisation and net financial indebtedness on an actual basis as at 30 September 2017 and, in the "As adjusted" columns, the Company's unaudited capitalisation and net financial indebtedness on an adjusted basis to give effect to the following transactions:

- (i) The repayment of the SFA with the Revolving Credit Facility (both as defined below) in November 2017, including repayment of other existing indebtedness; and
- (ii) Receipts of net proceeds from the Offering (minimum USD 40 million).

Other than as set out above, there has been no material change to the Company's unaudited capitalisation and net financial indebtedness since 30 September 2017.

The adjustment for the result of the Offering does not imply that such outcome is certain. The adjustments is made on basis the Offer Price is set at the mid-point of this range and that 9,181,992 New Shares are sold, with deduction of estimated transaction costs.

9.1 Capitalisation

<i>In USD thousands</i>	As at 30 September 2017	Adjustments	As adjusted
Indebtedness			
<i>Total current debt:</i>			
Guaranteed	-	-	-
Secured ¹²	11,425	(11,425) ³	-
Unsecured/Unsecured	42,989		42,989
<i>Total non-current debt:</i>			
Guaranteed	-	-	-
Secured ¹²	94,825	5,175 ³	100,000
Unsecured/Unsecured	21,018		21,018
Total indebtedness	170,257	(6,250)³	164,007
Shareholders' equity			
Share capital	73,422	40,000 ⁴	113,422
Retained earnings (accumulated losses)	10,195		10,195
Other reserves	23,416		23,416
Total shareholders' equity	107,033		147,033
Total capitalisation	277,290		311,040

- 1 At 30 September 2017, the non-current and current debt under the SFA was secured by a pledge over Compañía Pesquera's subsidiaries and a pledge over the Company's assets.
- 2 After the Offering, the Company will be released from any obligations under any guarantee and/or security in respect to Compañía Pesquera and its subsidiaries.
- 3 The adjustments reflects the Refinancing. All current debt under the SFA is repaid and shows a decrease in total current debt, whilst non-current debt is increased by use of funds under the Revolving Credit Facility to repay the SFA (current and non-current).
- 4 The adjustment reflects net proceeds from the Offering from the issuance of New Shares.

9.2 Net financial indebtedness*In USD thousands*

	As at 30 September 2017	Adjustments	As adjusted
(A) Cash	1,416	40,000	41,416
(B) Cash equivalents	-		-
(C) Trading securities	-		-
(D) Liquidity (A)+(B)+(C)	1,416	40,000	41,416
(E) Current financial receivables	-		-
(F) Current bank debt	11,425	(11,425)	-
(G) Current portion of non-current debt	-		-
(H) Other current financial debt	42,989		42,989
(I) Current financial debt (F)+(G)+(H)	54,414	(11,425)	42,989
(J) Net current financial indebtedness (I)-(E)-(D)	52,998	(51,425)	1,573
(K) Non-current bank loans	94,825	5,175	100,000
(L) Bonds issued	-		-
(M) Other non-current loans	21,018		21,018
(N) Non-current financial indebtedness (K)+(L)+(M)	115,843	5,175	121,108
(O) Net financial indebtedness (J)+(N)	168,841	46,250	122,591

9.3 Working capital statement

The Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements, for the period covering at least 12 months from the date of this Prospectus.

9.4 Contingent and indirect indebtedness

As at 30 September 2017 and as at the date of the Prospectus, the Company did not have any contingent or indirect indebtedness.

10 SELECTED FINANCIAL AND OTHER INFORMATION

10.1 Introduction and basis for preparation

10.1.1 Presentation of financial information

The following selected financial information has been extracted from the Company's audited financial statements as at, and for the years ended 31 December 2016, 2015 and 2014 (the Financial Statements) and the unaudited interim financial information as at and for the three and nine month periods ended 30 September 2017 (with comparable figures for the three and nine month periods ended 30 September 2016).

The Company's audited financial statements as at and for the years ended 31 December 2016, 2015 and 2014, included in this Prospectus as Appendix B, have been prepared in accordance with IFRS and interpretations by the International Accounting Standards Board (the "IASB"), as adopted by CCCH. The Interim financial information as at and for the three and nine month periods ended 30 September 2017 (with comparable figures for the three and nine month periods ended 30 September 2016) have been prepared in accordance with IAS 34 based on accounting policies consistent with those applied in the preparation of the Financial Statements.

The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements and Interim Financial Information included as Appendix B and C, respectively and should be read together with Section 11 "Operating and Financial Review".

The Financial Statements have been audited by PwC. The Financial Statements and the Interim Financial Information have been translated from the originals in Spanish to English for the purpose of being included in the Prospectus as Appendix B and C, respectively. The original Financial Statements and the Interim Financial Information in Spanish can be found at the Company's offices.

10.1.2 Auditor

The Company's independent auditor is PricewaterhouseCoopers Consultores Auditores SpA (PwC), with tax ID number 81513400-1, and business address at Torre Costanera Av. Andrés Bello 2711, floors 3, 4 and 5 Las Condes, Chile. PwC is registered as external auditor before the SVS (Chilean Stock and Insurance Superintendency) and in the United States as Independent Registered Accounting Firm before the Public Company Accounting Oversight Board (the "PCAOB"). PwC has been registered with the Norwegian FSA.

PwC's reports on the Financial Statements have been translated from the originals in Spanish to English for the purpose of being included in this Prospectus. The reports are included together with the Financial Statements, and thus included in this Prospectus as Appendix B.

PwC has not audited, reviewed or produced any other information provided in this Prospectus.

10.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgments, please refer to Note 2 of the Financial Statements as of, and for the years ended, 31 December 2016 included in this Prospectus as Appendix B.

10.3 Statements of comprehensive income

The table below sets out selected data from the Company's statement of profit or loss and other comprehensive income for the three and nine month periods ended 30 September 2017 and 2016 (based on unaudited IAS 34) and for the years ended 31 December 2016, 2015 and 2014 (based on audited IFRS).

	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017 IAS 34 (unaudited)	2016 IAS 34 (unaudited)	2017 IAS 34 (unaudited)	2016 IAS 34 (unaudited)	2016 IFRS (audited)	2015 IFRS (audited)	2014 IFRS (audited)
<i>In USD thousand</i>							
Net income by function							
Revenue	36,690	55,166	124,820	160,189	225,546	200,788	237,950
Cost of sales	(25,777)	(40,745)	(84,826)	(147,127)	(187,197)	(191,113)	(203,115)
Gross margin before fair value	10,913	14,421	39,994	13,062	40,349	9,675	34,835
Gain (loss) on fair value of biological assets	25,409	29,588	39,953	50,204	63,623	(20,745)	(2,047)

<i>In USD thousand</i>	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017	2016	2017	2016	2016	2015	2014
	IAS 34 (unaudited)	IAS 34 (unaudited)	IAS 34 (unaudited)	IAS 34 (unaudited)	IFRS (audited)	IFRS (audited)	IFRS (audited)
Fair value adjustment to biological assets harvested and sold	(6,809)	(14,903)	(31,953)	(14,575)	(38,694)	14,511	(8,391)
Gross margin	29,513	29,106	47,994	48,691	65,278	3,441	24,397
Administrative expenses	(2,681)	(2,308)	(8,313)	(6,671)	(9,207)	(8,849)	(9,692)
Distribution costs	(918)	(1,367)	(3,083)	(5,272)	(6,737)	(8,987)	(6,117)
Finance costs	(894)	(879)	(2,750)	(2,658)	(3,596)	(3,735)	(3,402)
Share of net income (losses) of equity method associates and joint ventures	67	64	146	118	127	397	141
Exchange differences	237	(36)	(120)	(768)	(409)	(250)	(324)
Other gains (losses)	793	6	597	(5,909)	(10,054)	3,393	(35)
Finance income	-	18	36	42	73	203	54
Net income before tax	26,117	24,604	34,507	27,573	35,475	(14,387)	5,085
Income tax (expense) income	(5,104)	(6,750)	(7,640)	(6,895)	(8,309)	3,295	(1,162)
Net income from continuing operations	21,013	17,854	26,867	20,678	27,166	(11,092)	3,923
Net income from discontinued operations	-	-	-	-	-	-	-
Net income (loss) for the year	21,013	17,854	26,867	20,678	27,166	(11,092)	3,923
Earnings per share	-	-	-	-	-	-	-
Basic earnings per share:	-	-	-	-	-	-	-
Basic earnings per share from continuing operations (US\$/share)	38.500	86.600	49.200	100.300	131.835	(53.829)	19.038
Basic earnings per share from discontinued operations (US\$/share)	-	-	-	-	-	-	-
Basic earnings per share (US\$/share)	38.500	86.600	49.200	100.300	131.835	(53.829)	19.038
Diluted earnings	-	-	-	-	-	-	-
Diluted earnings per share from continuing operations (US\$/share)	-	-	-	-	-	-	-
Diluted earnings per share from discontinued operations (US\$/share)	-	-	-	-	-	-	-
Diluted earnings per share (US\$/share)	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-
Net income (loss) for the year	-	-	-	-	27,166	(11,092)	3,923
Other comprehensive income	-	-	-	-	-	-	-
Gain (loss) from currency conversion	-	-	-	-	20	(31)	(5)
Total other comprehensive income (loss)	-	-	-	-	20	(31)	(5)
Total comprehensive income (loss)	-	-	-	-	27,186	(11,123)	3,918

10.4 Statements of financial position

The table below sets out selected data from the Company's interim statement of financial position as at 30 September 2017 and 2016 (based on unaudited IAS 34) and its statement of financial position as at 31 December 2016, 2015 and 2014 (based on audited IFRS).

<i>In USD thousand</i>	As at 30 September		As at 31 December		
	2017	2016	2016	2015	2014
	<i>IAS 34 (unaudited)</i>	<i>IAS 34 (unaudited)</i>	<i>IFRS (audited)</i>	<i>IFRS (audited)</i>	<i>IFRS (audited)</i>
Assets					
Current assets					
Cash and cash equivalents	1,416	8,335	1,642	1,774	3,497
Other financial assets, current	30	7	2	11	28
Other non-financial assets, current	1,065	715	4,868	3,111	3,490
Trade and other receivables	13,322	21,322	27,684	19,891	22,894
Related party receivables	16,060	17,475	15,547	15,563	18,226
Inventories	25,594	27,749	23,344	37,363	31,670
Biological assets, current	102,088	59,976	60,977	79,683	67,653
Tax assets, current	1,398	1,758	1,857	1,650	1,861
Total current assets	160,973	137,337	135,921	159,046	149,319
Non-current assets					
Other financial assets, non-current	27	27	27	27	27
Other non-financial assets, non-current	112	112	112	112	112
Tax assets, non-current	5,464	3,995	3,995	3,995	3,995
Equity method investments	5,025	432	412	265	1
Intangible assets other than goodwill	7,083	4,216	4,216	4,216	4,216
Property, plant and equipment	71,029	69,196	69,005	69,759	69,238
Biological assets, non-current	27,578	22,620	17,199	13,759	21,659
Deferred tax assets	-	-	-	4,369	1,064
Total non-current assets	116,318	100,598	94,966	96,502	100,312
Total assets	277,291	237,935	230,887	255,548	249,631
Liabilities and equity					
Current liabilities					
Other financial liabilities, current	11,425	11,284	10,554	10,815	9,461
Trade and other payables, current	39,936	35,310	28,821	47,742	40,783
Related party payables, current	3,020	32,877	32,812	34,727	31,283
Tax liabilities, current	34	6	9	10	26
Total current liabilities	54,415	79,477	72,196	93,294	81,553
Non-current liabilities					
Other financial liabilities, non-current	94,825	105,053	99,917	110,145	120,373
Payables, non-current	97	148	128	-	262
Related party payables, non-current	9,733	38,809	36,372	60,924	45,012
Other provisions, non-current	-	-	-	-	101
Deferred tax liabilities	11,040	2,504	3,892	-	-
Employee benefit provisions, non-current	148	157	136	125	147
Total non-current liabilities	115,843	146,671	140,445	171,194	165,895
Total liabilities	170,258	226,148	212,641	264,488	247,448
Net equity					
Share capital	73,422	34,843	34,843	34,843	34,843
Retained earnings (accumulated losses)	10,195	(23,160)	(16,672)	(43,838)	(32,746)
Other reserves	23,416	104	75	55	86
Total net equity	107,033	11,787	18,246	(8,940)	2,183

In USD thousand

	As at 30 September		As at 31 December		
	2017	2016	2016	2015	2014
	IAS 34	IAS 34	IFRS	IFRS	IFRS
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Total liabilities and equity	277,291	237,935	230,887	255,548	249,631

10.5 Statements of cash flow

The table below sets out selected data from the Company's interim statement of cash flows for the three and nine month periods ended 30 September 2017 and 2016 (based on unaudited IAS 34) and its statement of cash flows for the years ended 31 December 2016, 2015 and 2014 (based on audited IFRS).

In USD thousand	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017	2016	2017	2016	2016	2015	2014
	IAS 34	IAS 34	IAS 34	IAS 34	IFRS	IFRS	IFRS
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Cash flows provided by (used in) operating activities							
Receipts							
Receipt from the sale of goods & provision of services	51 459	64 945	164,261	172,663	236,736	252,006	266,443
Payments							
Payments to suppliers for goods and services	(54 245)	(49 787)	(126,128)	(114,492)	(168,423)	(218,253)	(221,594)
Payments to and on behalf of employees	(5 039)	(4 919)	(15,745)	(15,551)	(20,368)	(22,210)	(23,258)
Interest paid	-	(18)	(1,773)	(1,741)	(3,367)	(3,641)	(3,325)
Interest received	1	18	37	42	73	203	54
Income taxes received (paid)	88	-	79	(47)	(47)	(26)	(26)
Other cash receipts (payments)	(47)	11	(1)	1,825	2,225	294	(37)
Net cash flow from operating activities	(7 783)	10 250	20,730	42,699	46,829	8,373	18,257
Cash flows provided by (used in) financing activities							
Receipts from short-term loans	-	-	-	-	-	663	241
Loan repayments	-	-	(5,159)	(5,460)	(10,619)	(9,631)	-
Payments to related parties	11 326	(21 184)	(5,426)	(22,825)	(25,140)	-	(8,437)
Receipts from related parties	68	-	68	-	-	14,929	-
Net cash flows from (used in) financing activities	11 394	(21 184)	(10,517)	(28,285)	(35,759)	5,961	(8,196)
Cash flows provided by (used in) investing activities							
Receipts from the sale of property, plant and equipment	-	-	104	-	105	74	1
Purchase of property, plant and equipment	47	-	(10,553)	(7,643)	(11,029)	(15,702)	(6,918)
Other cash flow	(5 261)	(1 387)	-	-	-	-	10
Net cash flows from (used in) investing activities	(5 145)	(1 387)	(10,382)	(7,643)	(10,924)	(15,628)	(6,907)
Increase (decrease) in cash & cash equivalents before effect of changes in exchange rates	(1 534)	(12 321)	(169)	6,771	146	(1,294)	3,154
Effects of changes in exchange rates on cash and cash equivalents	(123)	(50)	(230)	(209)	(278)	(429)	(335)
Net increase (decrease) in cash and cash equivalents	(1 657)	(12 371)	(399)	6,562	(132)	(1,723)	2,819
Cash and cash equivalents at the beginning of the year	173	-	1,815	1,744	1,774	3,497	678
Cash and cash equivalents at the end of the year	(1 484)	(12 371)	1,416	8,336	1,642	1,774	3,497

10.6 Statements of changes in equity

The table below sets out selected data from the Company's statement of changes in equity prepared in accordance with IFRS for the years ended 31 December 2014, 2015 and 2016 and its interim statement of changes in equity for the three and nine months ended 30 September 2017.

<i>In USD thousand</i>	Share capital	Foreign currency conversion reserve	Total other reserves	Retained earnings (accumulated losses)	Total equity
Opening balance, January 1 2014	34,843	91	91	(36,669)	(1,735)
Changes in equity	-	-	-	-	-
Comprehensive income	-	-	-	-	-
Net income for the year	-	-	-	3,923	3,923
Other comprehensive income	-	(5)	(5)	-	(5)
Total comprehensive income (loss)	-	(5)	(5)	-	(5)
Changes in total equity	-	(5)	(5)	-	(5)
Closing balance as of December 31 2014	34,843	86	86	(32,746)	2,183
Opening balance, January 1 2015	34,843	86	86	(32,746)	2,183
Changes in equity	-	-	-	-	-
Comprehensive income	-	-	-	-	-
Net income for the year	-	-	-	(11,092)	(11,092)
Other comprehensive income	-	(31)	(31)	-	(31)
Total comprehensive income (loss)	-	(31)	(31)	(11,092)	(11,123)
Changes in total equity	-	(31)	(31)	(11,092)	(11,123)
Closing balance as of December 31 2015	34,843	55	55	(43,838)	(8,940)
Opening balance, January 1 2016	34,843	55	55	(43,838)	(8,940)
Changes in equity	-	-	-	-	-
Comprehensive income	-	-	-	-	-
Net income for the year	-	-	-	27,166	27,166
Other comprehensive income	-	(20)	(20)	-	20
Total comprehensive income (loss)	-	(20)	(20)	27,166	27,186
Changes in total equity	-	(20)	(20)	27,166	27,186
Closing balance as of December 31 2016	34,843	75	75	(16,672)	18,246

<i>In USD thousand</i>	Share capital MUSD	Foreign currency conversion reserve MUSD	MUSD	Total other reserves MUSD	Retained earnings (accumulated losses) MUSD	Controlling shareholders equity MUSD	Non-controlling shareholders equity MUSD	Total equity MUSD
Opening balance, January 1 2016	34,843	55	-	55	(43,840)	(8,940)	-	(8,940)
Changes in equity	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	20,678	20,678	-	20,678
Other comprehensive income	-	49	-	49	-	49	-	49
Closing balance as of September 30 2016	34,843	104	-	104	(23,160)	11,787	0	11,787
Opening balance, January 1 2017	34,843	75	-	75	(16,672)	18,246	-	18,246
Changes in equity	-	-	-	-	-	-	-	-
Capital increase	38,579	-	23,943	23,943	-	62,522	-	62,522
Comprehensive income	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	26,867	26,867	-	26,867
Other comprehensive income	-	(602)	-	(602)	-	(602)	-	(602)

<i>In USD thousand</i>	Share capital MUSD	Foreign currency conversion reserve MUSD	MUSD	Total other reserves MUSD	Retained earnings (accumulated losses) MUSD	Controlling shareholders equity MUSD	Non-controlling shareholders equity MUSD	Total equity MUSD
Closing balance as of September 30 2017	73,422	(527)	-	23,416	10,195	107,033	0	107,033

10.7 Segment information

The table below sets out the Company's product specific revenue for the years ended 31 December 2016, 2015 and 2014, as extracted from the Financial Statements and the three and nine month periods ended 30 September 2017 and 2016, as extracted from the Interim Financial Information.

<i>In USD thousand</i>	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017 IAS 34 (unaudited)	2016 IAS 34 (unaudited)	2017 IAS 34 (unaudited)	2016 IAS 34 (unaudited)	2016 IFRS (audited)	2015 IFRS (audited)	2014 IFRS (audited)
Product revenue							
Fresh salmon sales	17,117	26,750	51,705	67,144	90,926	90,732	104,454
Frozen salmon sales	19,055	27,949	62,985	89,124	125,253	100,840	115,279
Services	427	367	3,544	2,545	5,230	8,426	12,144
Other products ¹	91	100	6,586	1,376	4,137	790	6,073
Total	36,690	55,166	124,820	160,689	225,546	200,788	237,950

¹ For the nine month period ended 30 September 2017 and 2016, this category includes USD 6,237 thousand and USD 734 thousand, respectively, which is profit income for the Company from the Caleta Bay JV.

The table below sets out the split between the Group's revenue from sale of Atlantic salmon (products) and services sold in the Group's domestic and export markets for the years ended 31 December 2016 and 2015:

Market	2016 (%)	Year ended 31 December 2015 (%)
Export		
- Products	94.12	92.20
Domestic		
- Products	2.52	1.98
- Services	3.36	5.82
Total	100	100

The table below sets out the revenue based on the Company's main export markets for the years ended 31 December 2016, 2015 and 2014, as extracted from the Financial Statements and the three and nine month periods ended 30 September 2017 and 2016, as extracted from the Interim Financial Information.

<i>In USD thousand</i>	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017 IAS 34 (unaudited)	2016 IAS 34 (unaudited)	2017 IAS 34 (unaudited)	2016 IAS 34 (unaudited)	2016 IFRS (audited)	2015 IFRS (audited)	2014 IFRS (audited)
Main export markets							
United States	15,464	13,721	43,756	62,712	79,247	89,824	98,567
Russia	674	1,446	7,907	16,552	36,616	22,792	10,798
Brazil	4,531	5,103	15,576	16,090	23,908	19,221	18,955
Europe (excluding Russia)	2,302	504	4,531	13,614	15,795	11,831	14,874

The table below sets out a breakdown of sales (%) to the Groups main export markets for sale of Atlantic salmon for the years ended 31 December 2016 and 2015:

Main export market	Year ended 31 December	
	2016 (%)	2015 (%)
United States	35.90	47.58
Asia	31.93	23.71
Brazil	10.84	10.06
Mexico	6.41	6.62
Europe	7.15	6.50
Domestic	2.52	1.98
Others	5.25	3.55
Total	100	100

11 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 10 "Selected Financial and Other Information" and the Financial Statements and Interim Financial Information and related notes included in Appendix B and Appendix C, respectively, of this Prospectus. The following discussion contains forward-looking statements. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk Factors" of this Prospectus and Section 4.3 "Cautionary note regarding forward-looking statements" as well as other sections of this Prospectus.

11.1 General overview

The Group is a vertically and fully integrated seafood producer headquartered in Santiago, Chile, with operations in farming, harvesting, processing and marketing and sale of Atlantic salmon. Through the Company's participating interest in the Caleta Bay JV, the Group also farms and harvests trout in Chile. For the nine months period ended 30 September 2017, the Company's salmon farming operations accounted for USD 118,583 thousand (corresponding to approximately 95% of the total revenues for the period) and profit from the Company's trout farming operations accounted for USD 6,237 thousand (corresponding to approximately 5% of the total revenues for the period).

The Group's production operations are entirely conducted in Chile. Hence, the Company only has one reporting segment in accordance with IFRS. The Group's functional geographical reporting segments are based on the Group's main countries of export: United States, Russia, Brazil and Europe (excluding Russia). Other major export countries of the Group's products are Mexico, Japan, China and Argentina.

The Group's range of salmon products consist of fresh and frozen product form. The Group's fresh salmon products are sold to the United States, Brazil, China and Argentina through the Sales Agents (see Section 8.8 "Markets of operation"), and the frozen salmon products are sold to the United States, Mexico, Japan and China. The Group's fresh and frozen salmon products consist of a wide range of product types, including head off and on fillets with or without skin, and portions. For the nine months period ended 30 September 2017, fresh salmon products accounted for USD 51,705 thousand (corresponding to approximately 41.4% of total revenues) and frozen salmon products accounted for USD 62,985 thousand (corresponding to approximately 50.5% of total revenues), compared to approximately 41.8% and approximately 55.5% for the same period in 2016.

11.2 Significant factors affecting the Group's results of operation and financial performance

The Company's results of operations have been, and will continue to be, affected by a wide range of factors, many of which are beyond the Company's control. The key factors that Management believes have had a material effect on the Company's results of operations as presented in the Company's Historical Financial Information and up to the date of this Prospectus, as well as those considered likely to have a material effect on its results of operations in the future, are described below.

11.2.1 Market price of farmed salmon

The most significant factor impacting the Company's financial results is the market price of farmed salmon. The market price for farmed Atlantic salmon fluctuates mainly as a result of global supply in the short term. The Company does not engage in any hedging against price changes. Instead, it mitigates price risk through its integration strategy, reducing production costs by controlling inventory levels and the timing of harvests. Salmon prices are largely driven by supply. In a historical perspective, the market price for farmed Atlantic salmon fell significantly in 2011 and 2012, primarily as a result of a recovery in Chilean production following a drop in Chilean salmon supply in 2009 and 2010 due to the Chilean ISA Outbreak and outstanding growth in Norwegian production. Market price for farmed Atlantic salmon has continued and is likely to keep continuing be very sensitive to Norwegian and Chilean supply conditions. The market price for Atlantic salmon increased during the three months period ended 30 September 2017 to USD 6.3 per kg WFE, an increase of 0.9% compared to the same period in 2016.

The market price for Atlantic salmon began to slowly increase in the first part of 2016 when it became clear that global supply was expected to decrease during 2016. Following the HAB outbreak in the first quarter of 2016, which reduced Chilean salmon supply by up to 20% between the second half of 2016 and the first half of 2017, the market price for Atlantic salmon began to increase. During the period from 1 January up to 30 September 2017, average monthly prices in USD for farmed Atlantic salmon has increased relative to spot prices. Demand is a driver of the Company's growth and if continued growth in global production levels exceed or are out-of-pace with growth in demand, this could create downward pressure on prices in the future and negatively impact the Company's profitability.

11.2.2 Harvest volumes and inventories

The volume of product the Company harvests reflects stocking plans, fish health issues, mortality rates, and growth through capital expenditures that increase grow-out sites and other operating assets. Another key driver of volume, biological performance, is impacted by a variety of factors, including warmer waters and breeding strategies, and controlling the timing of development and harvests at the facilities. The Company tracks its inventories by reviewing the number and total biomass of fish harvested. In 2016, the Company experienced a severe outbreak of HAB at three of its sites, which has had a significant impact on the Group's harvesting volumes.

11.2.3 Production costs

The key drivers of production costs of biomass are size, survival and feed conversion. There is a correlation between fish size and production cost per kg; the larger the fish, the lower the cost per kg. As a result, the Company focuses on growing large fish. Depending on the timing of fish mortalities, fish losses can have an adverse effect on costs. Fish feed is the largest cost component in the production process, representing approximately 50% of total ex-cage costs. Compañía Pesquera supplies fish meal and fish oil, which provides a natural supply relationship on favourable terms. However, the Company is still exposed to fluctuations in the costs of the underlying commodities such as fish oil, animal products and agricultural products. Changes in fuel prices directly impact the cost of the farming and transportation operations and indirectly impact the processing operations.

Following the HAB outbreak in 2016, which led to exceptionally high levels of mortality, costs of production increased per kg, both as a result of challenging farming conditions and fixed costs split across lower volumes. In addition, the volcano eruption in 2015 led to increased costs for the Company since it had to lease flow-through facilities for smolts produced and acquire smolt from external suppliers as a temporary solution. However, during 2017, Chilean salmon farming companies have reported lower costs as a result of better biological conditions, lower feed prices and a recovery of harvesting volumes.

Based on recent data, figures available to the Company indicates that Chile is regaining a low-cost status achieving production costs regionally as USD 4.47 per kg. WFE.

11.2.4 Seasonality

The Company is market driven and the harvests follow seasonal demand patterns. The Company's harvest volumes tends to be heaviest in the fourth quarter, and the Company's various farming sites have fluctuating performance and operational costs. Market prices for Atlantic salmon is to some extent also driven by seasonality and the demand fluctuations in the United States will during ordinary years have an impact on the market price for the Group's products. The seasonality in Atlantic salmon prices is characterised by an increase in prices in the beginning of December which decreases in June due to the commencement of the harvesting season in the United States.

11.3 Recent developments and trends

Following significant biological and other extraordinary challenges the recent years, such as the HAB in 2016 and the Calbuco volcano eruption in 2015, the salmon farming business in Chile is regaining strength. For the nine month period ended 30 September 2017, the Company's profit reached USD 26.9 million and represents a growth of 29.9% compared to a profit of USD 20.7 million for the same period in 2016. In addition, the Company's EBITDA increased from USD 9 million for the nine month period ended 30 September 2016 compared to USD 36.7 million for the same period in 2017.

The Company's profitable results reflects to a great extent normal oceanographic conditions in 2017 compared to severe biological challenges in 2016 as a result of the el Niño, which had a major impact on the overall fish farming industry in Chile. In addition to biological conditions, the market price for Atlantic salmon has increased with 28.7% during 2017. The increased market price is a result of heavily reduced harvest volumes and is expected to pull back as a result of trends indicating that harvest volumes are increasing to normal levels post HAB figures. As further explained below in Section 11.4 "Results of operations for the Company", the reduced sales volumes and increasing

market price has had an impact on the Company's revenues which decreased 22% and 33.5%, respectively for the nine and three month periods ended 30 September 2017.

Environmental conditions as a result of the HAB and the Calbuco volcano eruption has also had a significant impact on mortality rates for the three month period ended 31 March 2016. The mortality situation began to reach normal levels during the second half of 2016 and mortality reached 1.2% (including open and closed farm sites) at the end of the nine month period ended 30 September 2017. As a result of the volcano eruption, the Company was forced to acquire smolt from third party suppliers, which had an impact on the Company's production costs. Ex-cage costs was USD 3.15 per kg. during the three and nine month period ended 30 September 2017, which represents an increase compared to 2016 and 2015. The increased ex-cage costs resulted mainly because harvests came from the Group's sites with smolts produced at higher costs at hatcheries leased from this parties since the Petrohué hatchery was destroyed by the volcano eruption.

In addition to the above, a significant development for salmon farming operations in Chile relates to the impact of more restrictive growth regulations, aiming for greater sustainability, predictability and curbed growth, and are in place in order to prevent uncontrolled growth periods and cycles. It is expected that harvest growth from 2017 to 2018 will be approximately 9%, compared to a harvest growth of 33% in the period 2011 – 2014. It is further expected that new regulations will contribute to an improved biological situation in the Los Lagos and Aysén regions with an annual long-term supply growth limited to approximately 3% – 4%. The new regulations sets out requirements for a reduced density if now stocking and/or decreasing the absolute number of stocking, and apply for stocking starting in the fourth quarter of 2017.

11.4 Results of operations for the Company

11.4.1 Three months ended 30 September 2017 compared to the three months ended 30 September 2016

The table below is an extract of the Interim Financial Statements for the three months ended 30 September 2017 (with comparable figures for the same period in 2016):

	Three months ended 30 September	
	2017	2016
	IAS 34 (unaudited)	IAS 34 (unaudited)
<i>In USD thousand</i>		
Revenue	36,690	55,166
Cost of sales	(25,777)	(40,745)
Gross margin before fair value	10,913	14,421
Gain (loss) on fair value of biological assets	25,409	29,588
Fair value adjustment to biological assets harvested and sold	(6,809)	(14,903)
Gross margin	29,513	29,106
Administrative expenses	(2,681)	(2,308)
Distribution costs	(918)	(1,367)
Finance costs	(894)	(879)
Share of net income (losses) of equity method associates and joint ventures	67	64
Exchange differences	237	(36)
Other gains (losses)	793	6
Finance income	0	18
Net income before tax	26,117	24,604
Income tax (expense) income	(5,104)	(6,750)
Net income from continuing operations	21,013	17,854
Net income from discontinued operations		
Net income (loss) for the period	21,013	17,854

Revenues

Revenues for the three months period ended 30 September 2017 was USD 36,690 thousand compared to USD 55,166 thousand for the three months period ended 30 September 2016, a decrease of USD 18,476 thousand or 33.5%. The decrease in revenues was primarily attributable to lower sales volumes as a result of two factors, (i) the one-time decision to reduce smolt stocking at two farm sites in 2015, which resulted in reduced harvest volumes in the first half of 2017 and (ii) a drop in salmon harvests in the fourth quarter of 2016 due to the HAB outbreak.

Cost of sales

Cost of sales for the three months ended 30 September 2017 was USD 25,777 thousand compared to USD 40,745 thousand for the three months ended 30 September 2016, a decrease in costs of sales of USD 14,968 thousand or 36.7%. The decrease was mainly attributable to a decrease in sales volumes of approximately 29% where total sales volumes were 6,412 tonnes WFE for the three months period ended 30 September 2017 compared with 9,016 tonnes WFE for the three months period ended 30 September 2016.

Fair value of biological assets

Gain on fair value of biological assets for the three months period ended 30 September 2017 was USD 25,409 thousand compared to gain on fair value of biological assets for the three months period ended 30 September of USD 29,588, a decrease of USD 4,179 thousand. In the same period, a negative fair value adjustment of biological assets harvested and sold of USD 6,809 thousand was made for the three months period ended 30 September 2017 compared to a negative fair value adjustment of biological assets harvested and sold of USD 14,903 for the three months period ended 30 September 2016, a decrease of USD 8,094 thousand.

Administrative expenses

Administrative expenses for the three months period ended 30 September 2017 was USD 2,681 thousand compared to USD 2,308 thousand for the three months period ended 30 September 2016, an increase of USD 373 thousand or 13.9%. the increase was mainly due to SAP implementation and consultancy expenses and employee's termination costs.

Distribution costs

Distribution costs for the three months period ended 30 September 2017 was USD 918 thousand compared to USD 1,367 thousand for the three months period ended 30 September 2016, a decrease of USD 449 thousand or 32.8%. The decrease was mainly attributable to lower sales volumes.

Finance costs

Finance costs for the three months period ended 30 September 2017 was USD 894 thousand compared to USD 879 thousand for the three months period ended 30 September 2016, an increase of USD 15 thousand or 1.7%. The increase was mainly attributable to increased financial interest resulting from a rise on the LIBOR (an increase of USD 72 thousand). This effect was partially compensated with a decrease on the commercial current account interest (a decrease of USD 43 thousand) mainly because the reduction on the amount of the commercial current.

Exchange differences

Exchange profits for the three months period ended 30 September 2017 was USD 237 thousand compared to exchange costs of USD 36 thousand for the three months period ended 30 September 2016, an increase in exchange profit of USD 273 thousand. The Increase was mainly attributable to the appreciation of the local currency in the same period (4%) and because of the net asset position in local currency in the period.

Other

Other gains for the three months period ended 30 September 2017 was USD 793 thousand compared to other gains for the three months period ended 30 September 2016 of USD 6 thousand, an increase of USD 787. The increase in other gains was mainly attributable to the sale of Transportes Interpolar social rights to Compañía Pesquera that generated a profit of USD 1.2 million, which was part of the Reorganisation (as defined below) implemented in September 2017 (see Section 14 "The Reorganisation and refinancing").

Net income (loss) before tax

For the reasons described above, net income before tax for the three months period ended 30 September 2017 was USD 26,117 compared to an income of 24,604 for the three months period ended 30 September 2016, an increase of USD 1,513 thousand.

Tax

Income tax expense for the three months period ended 30 September 2017 was USD 5,104 thousand compared to USD 6,750 thousand for the three months period ended 30 September 2016, a tax expense decrease of USD 1,646 thousand. The decreased tax expense was mainly due to an increment on the income tax rate from 24% in 2016 to 25,5% in 2017 and also an increase in the income before tax during 2017. This increase was compensated by a positive income tax adjustment, generating a net decrease in the income tax expense.

Net income (loss) for the period

For the reasons described above, net income for the three months period ended 30 September 2017 was USD 21,013 thousand compared to USD 17,854 thousand for the three months period ended 30 September 2016, an increase of USD 3,159 thousand.

11.4.2 Nine months ended 30 September 2017 compared to the nine months ended 30 September 2016

The table below is an extract of the Interim Financial Statements for the nine months ended 30 September 2017 (with comparable figures for the same period in 2016):

<i>In USD thousand</i>	Nine months ended 30 September	
	2017	2016
	<i>IAS 34 (unaudited)</i>	<i>IAS 34 (unaudited)</i>
Revenue	124 820	160 189
Cost of sales	(84 826)	(147 127)
Gross margin before fair value	39 994	13 062
Gain (loss) on fair value of biological assets	39 953	50 204
Fair value adjustment to biological assets harvested and sold	(31 953)	(14 575)
Gross margin	47 994	48 691
Administrative expenses	(8 313)	(6 671)
Distribution costs	(3 083)	(5 272)
Finance costs	(2 750)	(2 658)
Share of net income (losses) of equity method associates and joint ventures	146	118
Exchange differences	(120)	(768)
Other gains (losses)	597	(5 909)
Finance income	36	42
Net income before tax	34 507	27 573
Income tax (expense) income	(7 640)	(6 895)
Net income from continuing operations	26 867	20 678
Net income from discontinued operations		
Net income (loss) for the period	26 867	20 678

Revenues

Revenues for the nine months period ended 30 September 2017 was USD 124,820 thousand compared to USD 160,189 thousand for the nine months period ended 30 September 2016, a decrease of USD 35,369 thousand or 22%. The decrease was mainly attributable to the same reasons as for the three months period ended 30 September 2017. Sales volumes decreased with 43.6% compared to the same period in 2016.

Cost of sales

Cost of sales for the nine months period ended 30 September 2017 was USD 84,826 thousand compared to USD 147,127 thousand for the nine months period ended 30 September 2016, a decrease of USD 62,301 thousand or 42.3%. The decrease was mainly attributable to a decrease in sales volumes of approximately 44% where total sales volumes were 16,580 tonnes WFE for the nine months period ended 30 September 2017 compared with 29,386 tonnes WFE for the nine months period ended 30 September 2016.

Fair value of biological assets

Gain on fair value of biological assets for the nine months period ended 30 September 2017 was USD 39,953 thousand compared to USD 50,204 thousand for the nine months period ended 30 September 2016, a decreased gain of USD 10,251 thousand or 20.4%. In the same period, a negative fair value adjustment of biological assets harvested and sold of USD 31,953 thousand was made for the nine months period ended 30 September 2017 compared to a negative fair value adjustment of USD 14,575 thousand for the nine months period ended 30 September 2016, an increase in negative fair value adjustment of USD 17,378 thousand.

Administrative expenses

Administrative expenses for the nine months period ended 30 September 2017 was USD 8,313 thousand compared to USD 6,671 thousand for the nine months period ended 30 September 2016, an increase of USD 1,642 thousand or 19.8%. The increase was mainly attributable to SAP implementation and consultancy expenses and employee's termination costs.

Distribution costs

Distribution costs for the nine months period ended 30 September 2017 was USD 3,083 thousand compared to USD 5,272 thousand for the nine months period ended 30 September 2016, a decrease of USD 2,189 thousand or 41.5%. The decrease was mainly attributable to lower sales volumes.

Finance costs

Finance costs for the nine months period ended 30 September 2017 was USD 2,750 thousand compared to USD 2,658 thousand for the nine months period ended 30 September 2016, an increase of USD 92 thousand or 3.3%. The increase was mainly attributable to increased financial interest as a result of the rise on the LIBOR (an increase of USD 190 thousand). This effect was partially offset with a decrease on financial debt that had an effect of USD 57 thousand on the financial costs.

Exchange differences

Exchange costs for the nine months period ended 30 September 2017 was USD 120 thousand compared to USD 768 thousand for the nine months period ended 30 September 2016, a decrease of USD 648 thousand. The decrease in exchange differences was mainly attributable to the appreciation of the local currency in the same period (5.5%) and because of the net liability position in local currency in the period.

Other

Other gains for the nine months period ended 30 September 2017 was USD 597 thousand compared to other losses for the nine months period ended 30 September 2016 of USD 5,909 thousand, a difference of USD 6,506 thousand. The increase in other gains for the period was mainly attributable to losses in 2016 relating to the HAB.

Net income (loss) before tax

For the reasons described above, net income before tax for the nine months period ended 30 September 2017 was USD 34,507 thousand compared to USD 27,573 thousand for the nine months period ended 30 September 2016, an increase of USD 6,934 thousand.

Tax

Income tax expense for the nine months period ended 30 September 2017 was USD 7,640 thousand compared to USD 6,895 thousand for the nine months period ended 30 September 2016, an increase in income tax expense of USD 745 thousand. The increase in income tax expenses was mainly attributable to the increase on the income tax rate from 24% on 2016 to 25.5% on 2017 and the increase in the net income before tax in the same period. This increase was partially compensated by positive income tax adjustments.

Net income (loss) for the period

For the reasons described above, net income for the nine months period ended 30 September 2017 was USD 26,867 thousand compared to USD 20,678 thousand for the nine months period ended 30 September 2016, an increase of USD 6,189 thousand.

11.4.3 Year ended 31 December 2016 compared with year ended 31 December 2015

The table below is an extract of the Financial Statements as at, and for the years ended, 31 December 2016 and 2015.

<i>In USD thousand</i>	Year ended 31 December	
	2016 IFRS (audited)	2015 IFRS (audited)
Revenue	225,546	200,788
Cost of sales	(187,197)	(191,113)
Gross margin before fair value	40,349	9,675
Gain (loss) on fair value of biological assets	63,623	(20,745)
Fair value adjustment to biological assets harvested and sold	(38,694)	14,511
Gross margin	65,278	3,441
Administrative expenses	(9,207)	(8,849)
Distribution costs	(6,737)	(8,987)
Finance costs	(3,596)	(3,735)
Share of net income (losses) of equity method associates and joint ventures	127	397
Exchange differences	(409)	(250)
Other gains (losses)	(10,054)	3,393
Finance income	73	203
Net income before tax	35,475	(14,387)
Income tax (expense) income	(8,309)	3,295
Net income from continuing operations	27,166	(11,092)
Net income from discontinued operations	-	-
Net income (loss) for the year	27,166	(11,092)

Revenues

Revenues for the year ended 31 December 2016 was USD 225,546 thousand compared to USD 200,788 thousand for the year ended 31 December 2015, an increase of USD 24,758 thousand or 11%. The increase was primarily attributable to higher sales of frozen salmon products, combined with an increase of sales of other products.

Cost of sales

Costs of sales for the year ended 31 December 2016 was USD 185,197 thousand compared to USD 191,113 thousand for the year ended 31 December 2015, a decrease of USD 3,916 thousand or 2.1%. The decrease was primarily attributable to lower cost of fresh and frozen salmon products sold, lower cost of services and lower mortality costs.

Fair value of biological assets

Gain on fair value of biological assets for the year ended 31 December 2016 was USD 63,623 thousand compared to loss on fair value of biological assets of USD 20,745 thousand for the year ended 31 December 2015, an increased gain of USD 84,368 thousand. In the same period, a negative fair value adjustment of biological assets harvested and sold of USD 38,694 thousand was made for the year ended 31 December 2016 compared to a positive fair value adjustment of biological assets harvested and sold of USD 14,511 for the year ended 31 December 2015, a decrease of USD 53,205 thousand.

Administrative expenses

Administrative expenses for the year ended 31 December 2016 was USD 9,207 thousand compared to USD 8,849 thousand for the year ended 31 December 2015, an increase of USD 358 thousand or 3.9%. The increase was due to various increased costs, including audit and consultancy services, legal expenses and communication costs.

Distribution costs

Distribution costs for the year ended 31 December 2016 was USD 6,737 thousand compared to USD 8,987 thousand for the year ended 31 December 2015, a decrease of 2,250 thousand or 25%. The decrease was mainly attributable to lower storage costs (a decrease of USD 815 thousand) and maritime freight (a decrease of USD 1,694 thousand).

Finance costs

Finance costs for the year ended 31 December 2016 was USD 3,596 thousand compared to USD 3,735 thousand for the year ended 31 December 2015, a decrease of USD 139 thousand or 3.7%. The decrease was mainly attributable to significantly lower financial debt although the higher financial interests costs due to the increase of the LIBOR.

Exchange differences

Exchange costs for the year ended 31 December 2016 amounted to USD 409 thousand compared to USD 250 thousand for the year ended 2015, an increase of USD 159 thousand or 38.9%. The increase in exchange costs was mainly attributable to higher trade payables measured in CLP (an exchange cost amounting to USD 562 thousand in 2016 compared to exchange gains of USD 2,837 thousand in 2015).

Other

Other losses for the year ended 31 December 2016 was USD 10,054 thousand compared to other income of USD 3,393 thousand for the year ended 31 December 2015, a difference of USD 13,447 thousand. The increase in other losses was mainly attributable to losses on insurance claims relating to a loss not covered by insurance amounting to USD 11.1 million associated with the HAB, partially offset by a gain of USD 1.6 million on the balance of the insurance claim associated with the volcano eruption in 2015.

Net income (loss) before tax

For the reasons described above, net income before tax for the year ended 31 December 2016 was USD 35,475 thousand compared to a loss of USD 14,387 thousand for the year ended 31 December 2015, an increase of USD 49,862 thousand.

Tax

Income tax expense for the year ended 31 December 2016 was USD 8,309 thousand compared to tax income of USD 3,295 thousand for the year ended 31 December 2015, a tax expense increase of USD 11,604 thousand. Changes to the Chilean income tax regime were made effective from 1 February 2016 and requires Chilean corporations to adopt the Partially Integrated System, which established a progressive increase in corporate income tax rates. The tax rate was increased from 22.5% in 2015 to 24% for 2016. The increased tax for 2016 was mainly attributable to deferred tax expenses for the Company.

Net income (loss) for the year

For the reasons described above, net income (loss) for the year ended 31 December 2016 was USD 27,166 thousand compared to USD -11,092 thousand for the year ended 31 December 2015, an increase of USD 38,258 thousand.

11.4.4 Year ended 31 December 2015 compared with year ended 31 December 2014

The table below is an extract of the Financial Statements as at, and for the years ended, 31 December 2015 and 2014.

<i>In USD thousand</i>	Year ended 31 December	
	2015 <i>IFRS</i> <i>(audited)</i>	2014 <i>IFRS</i> <i>(audited)</i>
Revenue	200,788	237,950
Cost of sales	(191,113)	(203,115)
Gross margin before fair value	9,675	34,835
Gain (loss) on fair value of biological assets	(20,745)	(2,047)
Fair value adjustment to biological assets harvested and sold	14,511	(8,391)
Gross margin	3,441	24,397
Administrative expenses	(8,849)	(9,692)
Distribution costs	(8,987)	(6,117)
Finance costs	(3,735)	(3,402)
Share of net income (losses) of equity method associates and joint ventures	397	141
Exchange differences	(250)	(324)
Other gains (losses)	3,393	(35)
Finance income	203	54
Net income before tax	(14,387)	5,085
Income tax (expense) income	3,295	(1,162)
Net income from continuing operations	(11,092)	3,923
Net income from discontinued operations	-	-
Net income (loss) for the year	(11,092)	3,923

Revenues

Revenues for the year ended 31 December 2015 was USD 200,788 thousand compared to USD 237,950 thousand for the year ended 31 December 2014, a decrease of USD 37,162 thousand or 15.6%. The decrease in revenues was primarily attributable to lower sales of fresh and frozen salmon products, combined with lower sales of services and other products.

Cost of sales

Costs of sales for the year ended 31 December 2015 was USD 191,113 thousand compared to USD 203,115 thousand for the year ended 31 December 2014, a decrease of USD 12,002 thousand or 5.9%. The decrease was primarily attributable to lower cost of fresh and frozen salmon products sold.

Fair value of biological assets

Loss on fair value of biological assets for the year ended 31 December 2015 was USD 20,745 thousand compared to loss on fair value of biological assets of USD 2,047 thousand for the year ended 31 December 2014, an increased loss of USD 18,698 thousand. In the same period, a positive fair value adjustment of biological assets harvested and sold of USD 14,511 thousand was made for the year ended 31 December 2015 compared to a negative fair value adjustment of biological assets harvested and sold of USD 8,391 thousand for the year ended 31 December 2014, an increase of USD 22,902 thousand.

Administrative expenses

Administrative expenses for the year ended 31 December 2015 was USD 8,849 thousand compared to USD 9,629 thousand for the year ended 31 December 2014, a decrease of USD 780 thousand or 8.1%. The decrease was due to various reduced costs, including audit and consultancy costs, overhead costs and corporate support services.

Distribution costs

Distribution costs for the year ended 31 December 2015 was USD 8,987 thousand compared to USD 6,117 thousand for the year ended 31 December 2014, an increase of USD 2,870 thousand or 31.9%. The increase was mainly attributable to higher maritime freight costs (an increase of USD 1,725 thousand) and increased storage costs (an increase of USD 802 thousand).

Finance costs

Finance costs for the year ended 31 December 2015 was USD 3,735 thousand compared to USD 3,402 thousand for the year ended 31 December 2014, an increase of USD 333 thousand or 8.9%. The increased finance costs was mainly attributable to increased financial commissions.

Exchange differences

Exchange costs for the year ended 31 December 2015 amounted to USD 250 thousand compared to USD 324 thousand for the year ended 2014, a decrease of USD 74 thousand or 22.8%. The decrease in exchange costs was mainly attributable to a positive effect on trade payables in CLP and positive effects on current accounts with related parties in CLP.

Other

Other gains for the year ended 31 December 2015 was USD 3,393 thousand compared to other losses of USD 35 thousand for the year ended 31 December 2014, a difference of USD 3,428 thousand. The increase in other gains was mainly attributable net effect of insurance on biomass, and partial building and equipment losses as a result of the volcano eruption in 2015.

Net income (loss) before tax

For the reasons described above, net loss before tax for the year ended 31 December 2015 was USD 14,387 thousand compared to net income of USD 5,085 thousand for the year ended 31 December 2014, a decrease of USD 19,472 thousand.

Tax

Tax Income for the year ended 31 December 2015 was USD 3,295 thousand compared to tax income expense of USD 1,162 thousand for the year ended 31 December 2014, a, increase in tax income of USD 4,457 thousand. The increase was mainly attributable to deferred tax income for the period.

Net income (loss) for the year

For the reasons described above, net income (loss) for the year ended 31 December 2016 was USD -11,092 thousand compared to USD 3,092 thousand for the year ended 31 December 2014, a decrease of USD 15,015 thousand.

11.5 Liquidity and capital resources**11.5.1 Liquidity and funding**

The Company's liquidity requirements arise primarily from the requirement to fund working capital, operating expenses and capital expenditures. Since May 2013, the Company's principal sources of liquidity consists of cash-flows from operations and available funds under the senior facility agreement (the "SFA") entered into with Banco de Chile, BCI, Banco Estado, Banco Santander-Chile, Banco Security, Rabobank Curaçao and BBVA Chile as lenders. As of 30 September 2017, the Company had total net equity of USD 107,033 thousand, corresponding to an equity ratio¹⁷ of 38.6%, cash and cash equivalents of USD 1,416 thousand and total interest bearing debt of USD 115,843 thousand.

The Company's ability to generate cash from operations depends on its future operating performance, which is, in turn, dependent, to some extent, on general economic, financial, competitive, market regulatory and other facts, many of which are beyond the Company's control, as well as other facts described in Section 2 "Risk Factors".

The Company's expected liquidity needs for the twelve months' period following the date of this Prospectus primarily relate to the requirement to fund operating expenses and capital expenditures in connection with the growth of its business. The Company believes that its operating cash flows and borrowing capacity will be sufficient to meet its requirements and commitments for the foreseeable future. The Company's actual financing requirements depend on a number of factors, many of which are beyond its control. Risk management is carried out by the Company under policies approved by the Board of Directors. Management identifies, evaluates and handles financial risks in cooperation with the Board of Directors. The Board of Directors provides principles for overall risk management, as well as policies covering specific areas, such as liquidity risk, credit risk, currency risk and interest rate risk.

¹⁷ Equity ratio is the ratio expressed as a percentage calculated by dividing total equity on total assets.

The Company is an operative company with direct source of operating income. It is therefore not dependent on its capital raising abilities and dividend payments from its Subsidiary or Associated Companies (as defined below).

11.5.2 Material indebtedness

As at 30 September 2017, the Company had total interest bearing debt of USD 115,843 thousand, of which USD 106,250 thousand was under the SFA (USD 94,825 thousand as non-current and USD 11,425 thousand as current). The remaining amount of USD 9,593 thousand was current and non-current liabilities related to trade and other payables, related party payables, tax liabilities and employee benefit provisions. As at 30 September 2017 the Company did not have any additional loans. As further described below, the total outstanding debt under the SFA was repaid in November 2017 by use of the Revolving Credit Facility (i.e. the Refinancing). The Group's liquidity sources for repayment of debt is cash flow generated by the Group's operations and potential new credit facilities.

The Revolving Credit Facility

On 27 November 2017, the Company entered into a revolving credit facility with DNB and Coöperatieve Rabobank U.A. as lenders, bookrunners and mandated lead arrangers, and Banco Santander-Chile as lender, providing a secured revolving USD 100 million loan (the "**Revolving Credit Facility**"). The Revolving Credit Facility has been used to refinance the Company's existing indebtedness and for general corporate and working capital purposes. As of the date of this Prospectus, all available funds under the Revolving Credit Facility have been drawn. The Revolving Credit Facility matures on 27 November 2022, five years after the execution date. The security granted for the Revolving Credit Facility includes a pledge over the Company's material assets including, but not limited to concessions, plants, hatchery, vessels and new projects or assets financed under the Revolving Credit Facility.

Pursuant to the terms of the Revolving Credit Facility, the Company can have five utilisations outstanding at the same time and the minimum loan amount of each loan under the Revolving Credit Facility is USD 2 million. Each loan shall be repaid on the last day of the relevant interest period (see below).

The Revolving Credit Facility bears an interest at a rate per annum in the aggregate of (i) an applicable margin ranging from 2.25% - 3.25%¹⁸, which is set based on the ratio of the Company's net interest bearing debt to 12 months rolling EBITDA (the "**Gearing Ratio**"): for a Gearing Ratio less than 2.00x the applicable margin is 2.25%, for a Gearing Ratio higher or equal to 2.00x and less than 3.00x the applicable margin is 2.50%, for a Gearing Ratio higher or equal to 3.00 and less than 3.50x the applicable margin is 3.00% and for a Gearing Ratio higher or equal to 3.50x the applicable margin is 3.25%, and (ii) LIBOR as set by Reuters or, of not available, on the basis of rates provided by agreed reference banks.

The repayment of the Revolving Credit Facility is structured in three steps; (i) 10% repayment after three years, (ii) 10% repayment after four years and (iii) repayment of the remaining 80% at the end of the five years' period.

Financial covenants

The Revolving Credit Facility also requires the Company to ensure that it complies with the following financial covenants at all times, on a consolidated basis, which are verified in a quarterly compliance certificate and assuming a Successful IPO or a sell down resulting in a sale of up to one third of the Shares in the Company to a third party:

- The Gearing Ratio shall not exceed 4.00x.
- The ratio of total equity to total assets shall be a minimum of 40%.

Change of control

The Revolving Credit Facility contains a change of control provision, which requires a mandatory prepayment of all outstanding credits under the Revolving Credit Facility if, prior to the IPO, or if after the IPO, a change of control in the Company occurs. For the purposes of the Revolving Credit Facility, a change of control event means:

¹⁸ This margin will be applicable from the latest date of the following: (i) 27 May 2018 or (ii) the completion of a Successful IPO. Prior to such date, the margin will be the following: for a Gearing Ratio higher or equal to 3.50x the applicable margin is 3.50%, for a Gearing Ratio higher or equal to 2.50x and less than 3.50x the applicable margin is 3.00% and for a Gearing Ratio less than 2.50x the applicable margin is 2.50%.

- prior to a Successful IPO¹⁹ of the Company: (a) the Fernandez and/or Cifuentes families cease to have the Decisive Influence²⁰ over Compañía Pesquera or cease to hold (jointly or by one of them) more than 51% of the issued share capital of Compañía Pesquera; or (b) other than through a Sell Down²¹, Compañía Pesquera ceases to hold 100% of the issued share capital of the Company; and
- after a Successful IPO of the Company; (a) the Fernandez and/or Cifuentes families cease to hold (jointly or by one of them) more than 51% of the share capital of Compañía Pesquera; (b) Compañía Pesquera ceases to hold more than 51% of the share capital of the Company; (c) any shareholder (other than Compañía Pesquera) holds more than 50% of the issued share capital of the Company or has Decisive Influence over the Company; or (d) any other shareholder (other than the Fernandez or Cifuentes families) holds more than 50% of the issued share capital of Compañía Pesquera or has Decisive Influence over Compañía Pesquera.

A similar mandatory prepayment will incur in the event the Company is delisted from the Oslo Stock Exchange.

Other covenants

Further, the Revolving Credit Facility contains certain other customary information and negative covenants, which, amongst other things, limits the Company's ability to effect substantial change to the business; grant financial support; create or permit pledges of subsidiaries' assets which are already subject to such security under the Revolving Credit Facility; incur or allow for new financial indebtedness; and complete certain investments. Each of the restrictive covenants is subject to a number of exceptions and qualifications.

11.5.3 Cash flows

The table below summarises the Company's historical cash flows, and is extracted from the Financial Statements, for each of the financial periods presented.

In USD thousand	Three months ended 30 September		Nine months ended 30 September		Year ended 31 December		
	2017	2016	2017	2016	2016	2015	2014
	IAS 34 (unaudited)	IAS 34 (unaudited)	IAS 34 (unaudited)	IAS 34 (unaudited)	IFRS (audited)	IFRS (audited)	IFRS (audited)
Net cash flow from operating activities ...	(7,783)	10,250	20,730	42,699	46,829	8,373	18,257
Net cash flows from (used in) financing activities	11,394	(21,184)	(10,517)	(28,285)	(35,759)	5,961	(8,196)
Net cash flows from (used in) investing activities	(5,145)	(1,387)	(10,382)	(7,643)	(10,924)	(15,628)	(6,907)
Net increase (decrease) in cash and cash equivalents	(1,657)	(12,371)	(399)	6,562	(132)	(1,723)	2,819

Net cash flow from operating activities

Three months' period ended 30 September 2017 compared to three months' period ended 30 September 2016

Net cash outflow from operations for the three months ended 30 September 2017 was USD 7,783 thousand compared to net cash inflow of USD 10,250 thousand for the three months ended 30 September 2016, a decrease of USD 18,033 thousand. The decrease in net cash inflow was primarily attributable to two main reasons: (i) a decrease in the receipt in the sales of good of USD 13,486 thousand, which in the same period the decrease in sales was 28% and (ii) an increase in the payment to suppliers of good and services of USD 4,458 thousand. During the three months period ended 30 September 2017, the average biomass was 26,500 live tonnes compared to 15,500 live tonnes during the

¹⁹ A Successful IPO means an initial public offer of shares issued by the Company which in the aggregate (i) is conducted in the Santiago Stock Exchange, (ii) raises at least USD 60 million in total proceeds, (iii) the Selling Shareholder sells at least a 25% of its Shares in the Company and (iv) the requirements for listing of the Shares on another stock exchanges are met including the Oslo Stock Exchange.

²⁰ Decisive Influence means a person having, as a result of an agreement, understanding and/or other arrangement and/or through indirect ownership of shares and/or other ownership interests in another person, (i) a majority of the voting rights in that other person, or (ii) a right to elect or remove a majority of the members of the board of directors of that other person.

²¹ Sell Down means a sale of up to 33% of the shares in the Company to a third party (the Buyer) against a contribution in cash provided that, *inter alia*, such sale can only take place if a Successful IPO has not occurred within the first six months after Closing (i.e. the date of the first utilization of the Facilities (which includes the A and B facilities (USD 65 million) for Compañía Pesquera and the C facility for Salmones (USD 100,000 million)).

three months period ended 30 September 2016, an increase in the level of activity at sea farms which explains the increase in payment to suppliers.

Nine months' period ended 30 September 2017 compared to nine months' period ended 30 September 2016

Net cash inflow from operations for the nine months ended 30 September 2017 was USD 20,730 thousand compared to USD 42,699 thousand for the nine months ended 30 September 2016, a decrease of USD 21,969 thousand. The decrease in net cash inflow was primarily attributable to two main reasons: (i) a decrease in the receipt in the sales of good of USD 8,402 thousand (approximately 5%), which in the same period the decrease in sales was 27%, an effect of sales that was partially compensated by an increase in receipt of the sales in the first 6 months of 2017 compared with the same period of 2016 and (ii) an increase in the payment to suppliers of good and services of USD 11,636 thousand. During the nine months period ended 30 September 2017, the average biomass was 26,700 live tonnes compared to 15,400 live tonnes during the nine months period ended 30 September 2016, an increase in the level of activity which explains the increase in payment to suppliers.

Year ended 31 December 2016 compared with year ended 31 December 2015

Net cash inflow from operations for the year ended 31 December 2016 was USD 46,829 thousand compared to USD 8,373 thousand for the year ended 31 December 2015, an increase of USD 38,456 thousand. The increase in net cash inflow was primarily attributable to reduced cash outflow to suppliers for goods and services, reduced payroll costs offset by decreased cash inflow from customers and other cash inflow.

Year ended 31 December 2015 compared with year ended 31 December 2014

Net cash inflow from operations for the year ended 31 December 2015 was USD 8,373 thousand compared to USD 18,257 thousand for the year ended 31 December 2014, a decrease of USD 9,884 thousand. The decrease in net cash inflow was primarily attributable to reduced cash outflow to suppliers for goods and services, reduced payroll costs offset by decreased cash inflow from customers and other cash inflow.

Net cash flow from financing activities

Three months' period ended 30 September 2017 compared to three months' period ended 30 September 2016

Net cash inflow from financing activities for the three months ended 30 September 2017 was USD 11,394 thousand compared to net cash outflow of USD 21,184 thousand for the three months ended 30 September 2016, an increase of USD 32,578 thousand. The increase in net cash inflow was primarily attributable to an increase in the receivables inflow from related parties for USD 32,510 thousand.

Nine months' period ended 30 September 2017 compared to nine months' period ended 30 September 2016

Net cash outflow from financing activities for the nine months ended 30 September 2017 was USD 10,517 thousand compared to USD 28,285 thousand for the nine months ended 30 September 2016, a decrease of USD 17,768 thousand. The decrease in net cash outflow was primarily attributable to a decrease in payments to related parties for USD 17,399 thousand.

Year ended 31 December 2016 compared with year ended 31 December 2015

Net cash outflow from financing activities for the year ended 31 December 2016 was USD 35,759 thousand compared to net cash inflow of USD 5,961 thousand for the year ended 31 December 2015, a decrease of USD 41,720 thousand. The decrease in net cash inflow was primarily attributable to increased loan payments and increased related party transactions.

Year ended 31 December 2015 compared with year ended 31 December 2014

Net cash inflow from financing activities for the year ended 31 December 2015 was USD 5,961 thousand compared to net cash outflow of USD 8,196 thousand for the year ended 31 December 2014, an increase of USD 14,157 thousand. The increase in net cash inflow was primarily attributable to higher cash inflow from related party transactions offset by increased loan payments.

Net cash flow from investing activities

Three months' period ended 30 September 2017 compared to three months' period ended 30 September 2016

Net cash outflow from investing activities for the three months ended 30 September 2017 was USD 5,145 thousand compared to USD 1,387 thousand for the three months ended 30 September 2016, an increase of USD 3,758 thousand. The increase in net cash outflow was primarily attributable to an increase of cash outflow related to the

following investments: (i) USD 1.1 million allocated three feeding barge investments, (ii) USD 1.1 million allocated San José Investments and (iii) USD 1 million allocated the RAS investment plan.

Nine months' period ended 30 September 2017 compared to nine months' period ended 30 September 2016

Net cash outflow from investing activities for the nine months ended 30 September 2017 was USD 10,382 thousand compared to USD 7,643 thousand for the nine months ended 30 September 2016, an increase of USD 2,739 thousand. The increase in net cash outflow was primarily attributable to the investments as described for the three months period ended 30 September 2017 compared to the same period for 2016.

Year ended 31 December 2016 compared with year ended 31 December 2015

Net cash outflow from investing activities for the year ended 31 December 2016 was USD 10,924 thousand compared to USD 15,628 thousand for the year ended 31 December 2015, a decrease of USD 4,704 thousand. The decrease in net cash outflow was mainly attributable to reduced investments in property, plant and equipment offset by cash inflow from sale of property, plant and equipment.

Year ended 31 December 2015 compared with year ended 31 December 2014

Net cash outflow from investing activities for the year ended 31 December 2015 was USD 15,628 thousand compared to USD 6,907 thousand for the year ended 31 December 2014, an increase of USD 8,721 thousand. The increase in cash outflow was primarily attributable to increased investments in property, plant and equipment.

Net increase (decrease) in cash and cash equivalents

Three months' period ended 30 September 2017 compared to three months' period ended 30 September 2016

The changes in cash flows from operating activities, investment activities and financing activities, respectively, for the three first months of 2017 compared to the three first months of 2016, as described above, including effects of changes in exchange rates on cash and cash equivalents of USD 123 thousand for the three first months in 2017 and effects of changes in exchange rates on cash and cash equivalents of USD 50 thousand for the three first months in 2016, sum up in net decrease in cash and cash equivalents for the first three months of 2017 of USD 1,657 thousand compared to net decrease of USD 12,371 thousand for the three first months of 2016, a decrease of USD 10,714 thousand.

Nine months' period ended 30 September 2017 compared to nine months' period ended 30 September 2016

The changes in cash flows from operating activities, investment activities and financing activities, respectively, for the nine first months of 2017 compared to the nine first months of 2016, as described above, including effects of changes in exchange rates on cash and cash equivalents of USD 230 thousand for the nine first months in 2017 and effects of changes in exchange rates on cash and cash equivalents of USD 209 thousand for the nine first months in 2016, sum up in net decrease in cash and cash equivalents for the first nine first months of 2017 of USD 399 thousand compared to net increase of USD 6,562 thousand for the nine first months of 2016, a decrease of USD 6,961 thousand.

Year ended 31 December 2016 compared with year ended 31 December 2015

The changes in cash flows from operating activities, investment activities and financing activities, respectively, from 2015 to 2016, as described above, including effects of changes in exchange rates on cash and cash equivalents of USD 278 thousand in 2016 and effects of changes in exchange rates on cash and cash equivalents of USD 429 thousand in 2015, sum up in net decrease in cash and cash equivalents for the year ended 31 December 2016 of USD 132 thousand compared to net decrease of USD 1,723 thousand for the year ended 31 December 2015, a decrease of USD 1,591 thousand from 2015 to 2016.

Year ended 31 December 2015 compared with year ended 31 December 2014

The changes in cash flows from operating activities, investment activities and financing activities, respectively, from 2014 to 2015, as described above, including effects of changes in exchange rates on cash and cash equivalents of USD 429 thousand in 2015 and effects of changes in exchange rates on cash and cash equivalents of USD 335 thousand in 2014, sum up in net decrease in cash and cash equivalents for the year ended 31 December 2015 of USD 1,723 thousand compared to net increase of USD 2,819 thousand for the year ended 31 December 2014, a decrease of USD 4,542 thousand from 2014 to 2015.

11.6 Investments

11.6.1 Principal investments in progress and planned principal investments

The Company has identified five investment opportunities, which are spread across various parts of the Group's value and production chain. All of these investment opportunities are either initiated or ongoing, and are described in further detail below. All investments including the respective investment amounts described in Sections 11.6.1.1 - 11.6.1.5 are committed by the Company's management and will be financed through cash flows from operations, net proceeds from the Offering and credit under the Revolving Credit Facility. The investments are of an operational character and considered low-risk initiatives.

The Company targets to have a total capital expenditure of approximately USD 65 million in the period between the financial years 2017 and 2019. In addition to the committed investments, this includes approximately USD 18.8 for ordinary maintenance and USD 3.9 for regulatory investments.

The table below sets out the committed investment amounts for each of the five identified investments and an indication of the Company's annual expected margin increase that will result from each of these investments:

<i>In USD</i>	Investment amount	Annual expected margin increase¹
New sites for production growth	15.5 million	12.0 million ²
Enhanced capacity and efficiency of the Tomé plant	8.3 million	5.1 million
Expansion of the RAS hatchery	6.8 million	6.7 million
Expansion of the San José plant	9.7 million	2.9 million
Larger sea farming cages.....	2.6 million	0.3 million

1 The annual expected margin increase is based on the Company's own estimates and the full impact of the margin increase is expected to materialise no earlier than after the full required investment amount is invested, rounded to nearest USD 100,000.

2 Based on an assumption of 1 USD/kg WFE harvest from the new sites will be spread amongst the full cycles in the area during a period of 24 months which results in a total expected margin increase of USD 24.0 million for all five new sites.

11.6.1.1 New sites for production growth

The Company will invest in five new sea water sites, in which each site includes feeding/house barge, cages, nets, mooring, etc. Each site has an approximate investment price of USD 3.0 - 3.5 million, making the total investment required for five new production sites approximately USD 15.5 million. The potential benefits from realising this investment opportunity is (i) an increase of the Atlantic salmon harvest biomass from 34,000 tonnes in 2017 to 47,000 tonnes in 2018, 53,000 tonnes in 2019 and 54,000 tonnes in 2020. The Company aims for all of the new sites to be capable of producing 24,000 tonnes of Atlantic salmon per production cycle, i.e. 12,000 tonnes per year during a two year production cycle including a fallow period. This investment opportunity is a result of returned leased out concessions during the period 2018 - 2019 (See Sections 8.2 "Competitive strengths" and 8.9.3 "Concessions").

11.6.1.2 Enhanced capacity and efficiency of the Tomé plant

As a measure to increase the capacity and efficiency of the Tomé plant, the Company has initiated the installation of two Marel lines to automate the production process, one of which was installed during the first half of 2017. This includes installing a new frozen tunnel, a portion cooler, a fresh fish grader, new portion lines, individual weighing, automatic grinding, and product specific packaging lines. The potential benefits from realising such an investment opportunity are (i) enhanced yield optimization from cutting, (ii) product quality increase and (iii) labour reduction and productivity increase. The investment amounts to a total of approximately USD 8.3 million and is expected to result in annual EBIT improvement of USD 5.1 million.

11.6.1.3 Expansion of the RAS hatchery

To facilitate an expansion of the annual capacity of the RAS hatchery, the Company has initiated an investment which is expected to increase the smolt capacity on an annual basis, in which the RAS hatchery is expected to have an annual capacity of 12 million smolt at 150 grams after completion of the investment, compared to its current capacity of 12 million smolt at 100 grams. The expansion of the RAS hatchery may reduce the salmon's average sea water time and thus reduce its exposure to biological risks. As such, the potential benefits are (i) increase in smolt release and harvest biomass and (ii) reduced mortality and risk at sea. The investment amounts to a total of approximately USD 6.8 million.

11.6.1.4 Expansion of the San José plant

The Company has initiated an expansion and installation of the current freezing capacity at the San José plant. The first stage of this investment is the change of bleeders and stunner table by adding a fourth gutting machine and an ice machine upgrade. The second stage is improving fresh whole lines by installing a freezing tunnel, chillers,

packaging lines for fresh and frozen salmon, quality calibration, etc. The potential benefits from such investment are (i) reduction of the degradations of raw material, and reduction of labour costs and logistics (straight to port) and (ii) increase in productivity, efficiency and thus plant capacity. The investment amounts to a total of approximately USD 9.7 million.

11.6.1.5 Larger sea farming cages

The Company is continually moving its sea water farming operations into larger cages, which is an ongoing investment by the Company. The initiative to such move is expected to be conducted based on an ongoing replacement need, which can be done gradually over time, hence there is no immediate replacement of all cages. The potential benefits of such move are (i) efficiency and productivity in the sea water farming operations and (ii) savings in operations and maintenance. As at the date of this Prospectus, the required investment amounts to a total of USD 0.6 million (based on an expected replacement of four cages).

11.6.2 Historical investments

The Company has made regular investments during the years ended 31 December 2016, 2015 and 2014. The table below shows the Company's principal historical capital expenditures and investments for the years ended 31 December 2016, 2015 and 2014.

	Year ended 31 December		
	2016 (audited)	2015 (audited)	2014 (audited)
<i>In USD thousands</i>			
Waste management system ¹	354	308	357
Environmental services ¹	209	310	294
Property, plant and equipment ²	11,029	15,702	6,918
Total	11,592	16,320	7,569

1 The Company's investments in a waste management system and other environmental services are two of the Group's environmental mitigation projects the Group has initiated in order to implement new processes and technologies at its production plants, which will enable the Group to achieve a sustainable operation and to further continue its operations while minimizing the environmental impact of its operations.

2 The Company's investments in this category includes land, buildings, infrastructure, machinery and other production equipment.

The table below shows the Company's principal capital expenditures and investments since the date of the Financial Statements as at, and for the year ended, 31 December 2016 and to the date of this Prospectus:

<i>In USD thousands (audited)</i>	Period from 31 December 2016 to the date of this Prospectus
Waste management system ¹	262
Environmental services ¹	59
Property, plant and equipment ²	10,553
Total	10,874

1 The Company's investments in a waste management system and other environmental services are two of the Group's environmental mitigation projects the Group has initiated in order to implement new processes and technologies at its production plants, which will enable the Group to achieve a sustainable operation and to further continue its operations while minimizing the environmental impact of its operations.

2 The Company's investments in this category includes land, buildings, infrastructure, machinery and other production equipment.

11.7 Basis for preparation of financial information

The Company's audited financial statements as at and for the years ended 31 December 2016, 2015 and 2014 have been prepared in accordance with IFRS. The Company's interim financial information as at and for the three and nine month periods ended 31 September 2017 (with comparable figures for the same period of 2016) have been prepared in accordance with IAS 34. The Financial Statements and the Interim Financial Statements are presented in USD.

11.7.1 Critical accounting policies and estimates

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and associated assumptions are based on historical experience and other reasonable factors, considering the circumstances. These calculations form the basis for assessment of the book value of assets and liabilities that are not clearly observable from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are continuously reviewed. Changes in accounting estimates are recognized in the period when the

changes occurred, if they only apply to that period. If the changes also apply to future periods, the effect will be distributed between the current period and future periods.

The most important estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are related to biomass of biological assets and asset impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The assessment of impairment for 2016 is based on Management's assumptions using conservative estimates with regard to future cash flows and discount rates. Contingent consideration in business combinations related to non-controlling interests put options are recognized as financial liabilities. The liabilities are estimated, as the consideration to be paid is dependent upon future fair value and/or future results.

11.7.1.1 Diseases, increased mortality, etc.

The Company has established an accounting policy that consists of recording mortality that exceed 2% per month and per event as an expense of the corresponding period (cost of sale) and thus not affecting the cost of the remaining biomass. For mortality rates lower than 2% per month, the cost is absorbed by the live fish increasing the cost per kg of the biomass. In addition, for events of a higher magnitude, an analysis is made covering the total biomass affected, assigning 100% of the estimates loss to the cost of the respective period.

On a quarterly basis, the Company applies an impairment test for the fish that were valued at cost, considering that they do not meet the conditions to be adjusted by fair value. The criteria that has been used consistently over time and that is also being used by other Chilean fish farming companies, is to test all the fish that will be harvested in a six-month horizon. For a further discussion regarding the valuation model of biological assets, which may affect this criteria, please refer to Section 11.7.1.2 below.

11.7.1.2 Biological assets

The Company's biological assets includes groups or families of breeders, such as eggs, smolts and livestock in saltwater. The biological assets also include salmon. In accordance with IAS 41 "Agriculture" and IFRS, the Company's biological assets are measured at its best fair value estimate, a principle pursuant to which the biomass is valued at market value, less estimated cost to sell. The principle applies to the extent that the fair value can be measured in an objective and reliable manner. The fair value principle applies for biomass for which a reasonably accurate estimate of its market value can be identified, which is the case for salmon with a weight in excess of 4.00 kg. For smaller fish, a cumulative cost criterion is applied for accounting purposes. Accordingly, the Company applies the fair value principle on salmon weighing more than 4.00 kg. As regards salmon with a lower weight, an impairment test is conducted in order to ensure that there are no overvaluations of the salmon. In determining the fair value of its biomass, the Company bases its evaluation on the following assumptions: volume, average weight, weight distribution and harvest and market prices.

The Company's application of the fair value principle, as reflected in the Historical Financial Information, is applied in accordance with Chilean market practice and regulatory requirements under Chilean law, as well as in line with generally accepted accounting principles and criteria accepted by the SVS, pursuant to which a fair value is applied for which a reasonably accurate estimate of the biomass' fair value can be identified which applies to fish with a weight in excess of 4 kg. For smaller fish, as there is not a reference market for prices and uncertainty on future cost behaviour, applying a fair value principle could lead to a unreliable valuation and accordingly, a cumulative cost criterion has been applied for the Company's accounting purposes. On this basis, the Company's application of the fair value principle has previously deviated from the principle's application compared to other companies listed on the Oslo Stock Exchange with regard to the minimum fish weight required to be calculated at fair value. Other companies listed on the Oslo Stock Exchange applies the fair value principle on fish with a weight above 1 kg., including a proportionate expected net profit at harvest time. For fish weighing below 1 kg., other companies listed on the Oslo Stock Exchange conduct an impairment test.

From the time of Listing, the Company intends to prepare its financial statements both in accordance with Chilean regulatory requirements and the requirements applicable for companies listed on the Oslo Stock Exchange, as described above. In this regard, the Company has prepared a comparison between application of the fair value valuation model of biological assets used in Chile compared to the market practice in Norway. For the purpose of complying with rules and guidelines set out by the Norwegian FSA, the Company has developed a valuation model that incorporates the recommendation from the Norwegian FSA. The Company has been given indications that providing additional information in notes might not be considered sufficient and as such may be the subject for a control of the financial information by the NFSA, with a potential resolution to change the financial statements.

The Company's valuation model contains the following considerations:

- (i) The biological assets are governed by IAS 41 on Agriculture. The main rule is that biological assets will be measured at fair value less costs of sales, unless the fair value cannot be reliably measured. The measurement of the fair value is regulated by IFRS 13. "Fair value" refers to the price that would have been achieved through the sale of the biological asset in an ordered transaction between market participants at the measurement date in the conditions prevailing in the market.
- (ii) For eggs, fry and smolts, the historic cost is considered to be a reasonable approach to estimate their fair value, given that there is little biological transformation (IAS 41.24). This assessment must be made in the light of the fact that smolts are transferred to the sea at a stage in which their weight is still relatively low (less than 1 kg). At the same time, this group comprises a limited part of the Group's biological assets measured in terms of volume and value.
- (iii) Broodstocks are also valued at cost, since they are part of the productive process and they are not intended for sale.
- (iv) The model used is a present value cash flow model. In a hypothetical market of perfect competition, a hypothetical buyer of live fish would be willing to pay, as a maximum, the present value of the estimated future benefits of the sale of biological assets when they are ready to be harvested. The estimated future benefit, bearing in mind all the price adjustments and the harvest costs incurred at the end of the productive cycle, constitutes the cash flows.

According to the best practices, the Company considers that the fish have an optimal slaughter weight when they have a live weight equal to or higher than 4 kg. Considering the Norwegian FSA's recommendations to calculate the fair value of the biological assets, the fair value has been determined considering that all the fish that at the reporting date of the financial statements, have a weight equal to or higher than 1 kg. The fish that are below this weight are valued at incurred or historical cost. The fish valued at cost are tested on a quarterly basis to determine the existence of impairment.

- (v) The cash flows are determined as a function of the estimated biomass volume multiplied by the estimated price. For the fish in water between 1 kg and 4 kg, the necessary cost to bring the fish to the target harvest weight of 4 kg is estimated. This cash flow is discounted on a monthly basis through a discount rate which has been estimated at 0.8% monthly.
- (vi) For the fish in the water of 4 kg or higher, the fair value estimation is calculated using the difference between the real accumulated cost and the market price (Urner Barry Trim D Index).
- (vii) The estimated biomass (volume) is based on the actual number of individuals at sea at the financial statement date, adjusted to cover projected mortality up to the harvest date and multiplied by the estimated weight at harvest time. The measure unit is the individual fish. The live weight of fish at sea is expressed into Whole Fish Equivalent (WFE = live fish without blood) to get to the same unit of measure used to estimate the sales price.
- (viii) The sales price is based on the future prices of the Fishpool indicator correlated with the Urner Barry sales price index for Trim D in the USA market, since this market is the most representative for the expected behaviour of Salmones Camanchaca S. A. sales.
- (ix) Positive cash flows are generated from the sale of the product. To simplify the analysis, all remaining expenses are allocated to the same period that revenue, so there is only one cash flow per location. Cash flow is allocated to the month in which harvesting is estimated to take place. The sum of cash flows from all locations where the Group has fish at sea will be distributed over the entire period of time it takes to grow fish at sea at the balance sheet date. Estimated future cash flow is discounted monthly.
- (x) For the fish in the water of 4 kg or higher, the fair value estimation is calculated using the difference between the real accumulated cost and the market price (Urner Barry Trim D Index).
- (xi) Costs related to abnormal mortality are recognized immediately in profit or loss and classified under other expenses by function. Mortalities considered normal in the productive process are considered as part of the

production costs. Considerations to determine that mortality is normal or abnormal require evaluation and application of criteria. The Company uses a common indicator and threshold for all fish farming units. If in one month the mortality from the same cause or event in a location exceeds 2% of the number of fish in the location, this is classified as an indication of abnormal mortality. A more detailed assessment is then carried out to establish whether mortality is abnormal. These assessments consider the cause of mortality and fish size.

- (xii) Changes in the estimated fair value of biological assets, in accordance with IAS 41, are recognized through profit or loss and presented in "profit (loss) for fair value of biological assets in the period" of the income statement by function. This income statement item potentially contains two elements; (1) change in the fair value adjustment of fish stocks at sea, (2) the estimated impairment of fish valued at cost at the end of the reporting period.

The application of the model described presents the following effects in the financial statements for the period ended September 30, 2017.

- a) An increase in the net income for the period amounting to USD 16,070 thousand, net of the effects of deferred tax.
- b) An increase in the profit presented under Profit (loss) of fair value for the period on the income statement by function, amounting to USD 21,570 thousand.
- c) An increase in Biological assets in the current assets of USD 21,570 thousand, of non-current assets of the same item amounting to USD 0 thousand and on the equity amounting to USD 16,070 thousand.

The table below sets out the Company's unaudited financial position as at 30 September 2017 and 31 December 2016 applying the principle in the manner described in this Section and considering the effects discussed above:

<i>In USD thousand</i>	As at	As at
	30 September	31 December
	2017	2016
	IAS 34 (unaudited)	IFRS (unaudited)
Assets		
Current assets		
Cash and cash equivalents	1,416	1,642
Other financial assets, current	30	2
Other non-financial assets, current	1,065	4,868
Trade and other receivables	13,322	27,684
Related party receivables	16,060	15,547
Inventories	25,594	23,344
Biological assets, current	117,109	60,977
Tax assets, current	1,398	1,857
Total current assets	175,994	135,921
Non-current assets		
Other financial assets, non-current	27	27
Other non-financial assets, non-current	112	112
Rights receivable, non-current	5,464	3,995
Receivables from related parties	-	-
Equity method investments	5,025	412
Intangible assets other than goodwill	7,083	4,216
Property, plant and equipment	71,029	69,005
Biological assets, non-current	34,127	17,199
Deferred tax assets	-	-
Total non-current assets	122,867	94,966
Total assets	298,861	230,887
Liabilities and equity		
Current liabilities		
Other financial liabilities, current	11,425	10,554
Trade and other payables, current	39,094	28,140
Related party payables, current	3,020	32,812
Tax liabilities, current	34	9
Employee benefits provisions	842	681
Total current liabilities	54,415	72,196
Non-current liabilities		
Other financial liabilities, non-current	94,825	99,917
Payables, non-current	97	128
Related party payables, non-current	9,733	36,372
Deferred tax liabilities	16,540	3,892
Employee benefit provisions, non-current	148	136
Total non-current liabilities	121,343	140,445
Net equity		
Share capital	73,422	34,843
Share premium	-	-
Retained earnings (accumulated losses)	26,265	(16,672)
Other reserves	23,416	75
Total net equity	123,103	18,246
Total liabilities and equity	298,861	230,887

The table below sets out the Company's unaudited statement of profit or loss and other comprehensive income for the nine month periods ended 30 September 2017 and 2016 applying the principle in the manner described in this Section and considering the effects discussed above:

<i>In USD thousand</i>	Nine months ended 30 September	
	2017 IAS 34 (unaudited)	2016 IAS 34 (unaudited)
Net income by function		
Revenue	124,820	160,189
Cost of sales	(84,826)	(147,127)
Gross margin before fair value	39,994	13,062
Gain (loss) on fair value of biological assets	61,523	50,204
Fair value adjustment to biological assets harvested and sold	(31,953)	(14,575)
Gross margin	69,564	48,691
Administrative expenses	(8,313)	(6,671)
Distribution costs	(3,083)	(5,272)
Finance costs	(2,750)	(2,658)
Share of net income (losses) of equity method associates and joint ventures	146	118
Exchange differences	(120)	(768)
Other gains (losses)	597	(5,909)
Finance income	36	42
Net income before tax	56,077	27,573
Income tax (expense) income	(13,140)	(6,895)
Net income from continuing operations	42,937	20,678
Net income from discontinued operations	-	-
Net income (loss) for the period	42,937	20,678
Net income attributable to:		
Net income attributable to owners of the parent company	42,937	20,678
Net income attributable to non-controlling interests	-	-
Net income (loss) for the period	42,937	20,678
Earnings per share		
Basic earnings per share (US\$/share)	78,600	100,300
Earnings per share on discontinued operations (US\$/share)	-	-
Basic earnings per share	78,600	100,300

11.7.1.3 Segments

The Company maintains a single operating segment as it only obtains revenues based on the sale of Atlantic salmon as a final product, which is also the only segment that the Company evaluates its results and performance, and which is allocated resources. From the time of Listing, the Company's financial statements will include information regarding the tables presented in Section 10.7 "Segment Information" relating to the split between the Group's revenue from sale of Atlantic salmon (products) and services sold in the Group's domestic and export markets and a breakdown of sales (%) to the Group's main export markets for sale of Atlantic salmon.

11.7.1.4 Classification of biological assets

The Company classifies its biological assets as long-term and short-term in accordance with Chilean industry practice, which entail that fish is classified as a current biological asset if it is expected to be harvested within a 12 month period. This practice also considers the growth of the biological assets to be estimated so that the period in which the fish will be harvested may vary. The assumption followed by the Company is that it expects to harvest and sell the majority of its biomass as fresh salmon, which is delivered and sold only days after harvesting. Thus, in the Company's view it is not possible to determine with clear precision 12 months in advance what percentage of biomass will be sold.

11.7.1.5 Cash Generating Units (CGU)

The Company has one identified cash generating unit since its productive and commercial processes are fully integrated with the objective of marketing and delivering its products in the various markets where the Group operates, maximizing the returns from the Group's raw materials. From a value chain perspective, the Company develops its own genetics through its broodstock and eggs, the growth of smolts in fresh water production sites in its own hatcheries and farming at its own sea water production sites. In addition, the Company has its own primary process and value added or secondary plants in order to extract most of the value from the raw material. In each of these steps in the Group's production chain, the Group's focus is to ensure the continuity of production and not the purchase or sale of intermediate products or services. Accordingly, only by grouping the assets of these activities is it possible to generate cash flow as indicated in IAS 36. The Group does not have any fixed assets outside Chile.

11.7.1.6 Depreciation periods for tangible fixed assets

Depreciation periods for the Group's various fixed tangible assets are included in note 2.7 to the Financial Statements. The following table sets out a more detailed overview of the relevant depreciation periods for the Group's fixed tangible assets:

Asset	Years
Buildings	10 – 50
Plants and equipment	3 – 20
Vessels	20
Vehicles	7 – 10
Other fixed tangible assets	3 – 10

11.8 Recent development and change

Apart from the Reorganisation of the Camanchaca Group, which is further described in Section 14 "The Reorganisation", there have been no significant changes in the financial or trading position of the Company since the date of the Interim Financial Information (30 September 2017), which have been included in this prospectus.

12 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

12.1 Introduction

The Company's highest decision-making authority is the general shareholders' meeting (the "**General Shareholders' Meeting**"). In accordance with Chilean law and the Bylaws, all shareholders in the Company are entitled to attend or be represented by proxy and vote at the General Shareholder Meetings of the Company.

The overall management of the Company is vested in the Board of Directors and the Management. In accordance with Chilean law and the Bylaws, the Board of Directors is responsible for, among other things, supervising the general management of the Company's business, ensuring proper organisation, preparing plans and budgets for its activities and to ensure that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has one sub-committee, being the Audit Committee. See Section 12.11 "Audit committee" for a description of its composition and responsibilities.

The Company's chief executive officer ("**CEO**") is responsible for the day-to-day management of the Company's operations in accordance with Chilean law and has the power conferred upon him or her by the Board of Directors. In accordance with the Bylaws, the Company's CEO will act as the secretary to the Board of Directors and in accordance with Chilean law he or she must also brief the Board of Directors about the Company's activities, financial position and operating results on a regular basis.

12.2 Board of Directors

12.2.1 Overview of the Board of Directors

The Board of Directors is responsible for the overall management of the Company and may exercise all powers of the Company not resolved to the General Shareholders' Meeting pursuant to the Bylaws or Chilean law.

The Bylaws provide that the Board of Directors shall consist of five members. The Directors are elected by the shareholders at the relevant annual ordinary general shareholders' meeting or any extraordinary general shareholders' meeting called for that purpose.

The current Board of Directors consists of five Directors, as listed in the table in Section 12.2.2 "The composition of the Board of Directors" below.

Pursuant to the Norwegian Code of Practice for Corporate Governance dated 30 October 2014 (the "**Corporate Governance Code**"), (i) the majority of the shareholder-elected members of the Board of Directors should be independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected members of the Board of Directors should be independent of the Company's main shareholders (shareholders holding more than 10% of the Shares in the Company), and (iii) no members of the Management should be represented on the Board of Directors.

With the exception of Jorge Fernández Valdés, Francisco de Borja Cifuentes Correa and Ricardo García Holtz, all Directors are independent of the Company's business relations and main shareholders (shareholders holding more than 10% of the Shares in the Company). Jorge Fernández Valdés and Francisco de Borja Cifuentes Correa are not independent of Compañía Pesquera (the Selling Shareholder) and controlling shareholder of the Company as of the date of this Prospectus, as they serve as chairman and vice chairman, respectively, on the board of directors of Compañía Pesquera. Ricardo García Holtz is the CEO of Compañía Pesquera. All of the Directors are independent of the Management and the Management is not represented on the Board of Directors.

The Company's registered business address, Avenida Diego Portales 2000, 13th floor, Puerto Montt, Los Lagos Región, Chile, serves as the business address for the Directors in relation to their directorship of the Company.

As at the date of this Prospectus, none of the Directors hold any options or other rights to acquire Shares in the Company.

12.2.2 The composition of the Board of Directors

The names and positions and current term of office of the Directors as at the date of this Prospectus are set out in the table below.

Name	Position	Served since	Term expires	Shares
Ricardo García Holtz	Chairman	2013 ¹	2018	0
Jorge Fernández Valdés	Director	2009 ²	2018	0 ⁶
Francisco de Borja Cifuentes Correa	Director	2009 ³	2018	0 ⁷
Hector Luis Felipe Sandoval Precht	Director	2017 ⁴	2018	0
Tore Valderhaug	Director	2017 ⁵	2018	0

1 Ricardo García Holtz was re-elected on 15 November 2017. Mr. García was prior to this re-elected on 26 April 2016.

2 Jorge Fernández Valdés was re-elected on 15 November 2017. Mr. Fernández was prior to this re-elected on 26 April 2016.

3 Francisco de Borja Cifuentes Correa was re-elected on 15 November 2017. Mr. Cifuentes was prior to this re-elected on 26 April 2016.

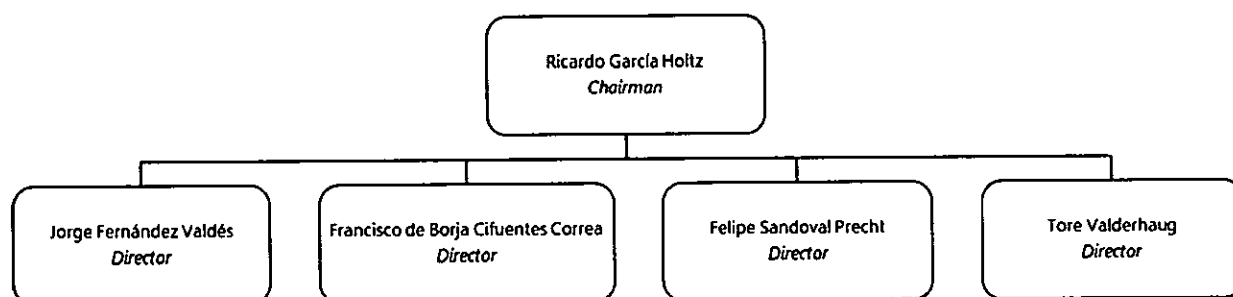
4 Felipe Sandoval Precht was appointed on 15 November 2017.

5 Tore Valderhaug was appointed on 15 November 2017.

6 Jorge Fernández Valdés owns shares of Compañía Pesquera through indirect ownership. Mr. Valdés is a member of the Fernández family who owns 52.77% of the shares in Compañía Pesquera.

7 Francisco de Borja Cifuentes Correa owns shares in Compañía Pesquera through indirect ownership. Mr. Cifuentes is a member of the Cifuentes family who owns 13.89% of the shares in Compañía Pesquera.

The following organisational chart sets out the structure of the Board of Directors:



12.2.3 Brief biographies of the Directors

Set out below are brief biographies of the Directors, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Director is or has been a member of the administrative, management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Ricardo García Holtz, Chairman

Ricardo García Holtz has extensive experience from the investment banking business with three years in Santander, and the insurance and finance business with 20 years in AIG. Mr. García joined the Camanchaca Group in 2011 and has been the CEO and been represented on the board of several companies within the Camanchaca Group since 2011. Mr. García is an economist and business administrator and holds two master's degrees in economics from the University of California, Los Angeles (UCLA) and Pontificia Universidad Católica de Chile. Mr. García is a Chilean citizen, currently residing in Santiago, Chile.

Current directorships and senior management positions Compañía de Seguros Colmena S.A. (Chairman), Camanchaca Pesca Sur S.A. (Director), Camanchaca Cultivos Sur S.A. (Director), Inmobiliaria Camanchaca (Director), Salmones Camanchaca S.A. (President), Fiordo Blanco S.A. (Director), Camanchaca Inc (Chairman), Kabushiki Kaisha Camanchaca (Director) and Colmena Salud S.A. (Advisor to the board of directors).

Previous directorships and senior management positions last five years None.

Jorge Fernández Valdés, Director

Jorge Fernández Valdés has extensive experience within the seafood industry and substantial knowledge of the salmon farming industry and the Company. He is the President of Compañía Pesquera, on which he has served for more than 30 years, since the very beginning of the Camanchaca Group. Mr. Fernández has played a great role in leading Compañía Pesquera's expansion, including the beginning and growth throughout its business area, which includes fishery and the salmon farming business. Mr. Fernández is a financial investor. Mr. Fernández is a Chilean citizen, currently residing in Santiago, Chile.

Current directorships and senior management positions *Inmobiliaria Camanchaca S.A. (Chairman) and Salmones Camanchaca S.A.*

Previous directorships and senior management positions last five years *None.*

Francisco de Borja Cifuentes Correa, Director

Francisco de Borja Cifuentes Correa has extensive experience within the seafood industry and has gained substantial knowledge of the salmon farming industry and the Company from his close to 30 years as CEO of Compañía Pesquera. Mr. Cifuentes was the CEO of the Camanchaca Group for almost 30 years, since 1980, leading all of its expansion, including the beginning and growth of the salmon farming business and the listing of Compañía Pesquera on the Santiago Stock Exchange in 2010. Further, Mr. Cifuentes is a member of the controller of Compañía Pesquera. Mr. Cifuentes is a lawyer and holds a law degree from Pontificia Universidad Católica de Chile. Mr. Cifuentes is a Chilean citizen, currently residing in Santiago, Chile.

Current directorships and senior management positions *Salmones Camanchaca S.A. (Director), Camanchaca Cultivos Sur S.A. (Chairman), Fiordo Blanco S.A. (Chairman), Camanchaca Pesca Sur S.A. (Chairman), Inmobiliaria Camanchaca (Director), Cannex S.A. (Chairman).*

Previous directorships and senior management positions last five years *None.*

Hector Luis Felipe Sandoval Precht, Director

Mr. Sandoval has experience from politics, having held certain positions within the Chilean government. In 2001 Mr. Sandoval became the Assistant Secretary of Fisheries, a role he held from September 2001 until March 2006. In addition to his political career, Mr. Sandoval also has several years of experience from the salmon industry in Chile, as named executive secretary of the Salmon Board (*Sp. la mesa del salmón*), a body chaired by the Ministry of Economy, Development and Tourism, and as president of Salmon Chile (the Guild Association of Salmon Producers). Mr. Sandoval was elected to hold the position as president of Salmon Chile at year-end 2013, and has acted as the president until 2017. Mr. Sandoval is a civil engineer, holding a degree from Universidad de Chile. He is a Chilean citizen, currently residing in Santiago, Chile.

Current directorships and senior management positions *Suaval, Mutual Guarantee Company (Director), Sufactor, Factoring Company (Director), Arauco, Construction Company (Director) and Intesal, Technological Institute of Salmon (President).*

Previous directorships and senior management positions last five years *AquaChile (Institutional Affairs Director), Asigar, Trade Union Association of Reciprocal Guarantee (President).*

Tore Valderhaug, Director

Mr. Valderhaug is a Norwegian State Authorized Public Accountant with ten years of audit experience. He has held positions as finance director and chief financial officer in several publicly listed companies, including Cermaq ASA, EDB Business Partner, ASK Proxima/InFocus, Ocean Rig and Uitor. Mr. Valderhaug has also worked with private companies, such as his previous position in as Chief Financial Officer in Pharmaq AS, a leading pharmaceutical company within the aquaculture industry. During his career, Mr. Valderhaug has also worked within corporate finance and private equity. He is working as a financial advisor and is positioned in the board of directors of the publicly listed companies Nordic Semiconductor ASA, XXL ASA and Q-Free ASA. He has a registered accountant certificate from BI Norwegian Business School (*Nw. Handelshøyskolen BI*) and earned his authorization as a Norwegian state authorized public accountant from the Norwegian School of Economics (*Nw. Norges Handelshøyskole*). He is a Norwegian citizen, currently residing in Oslo, Norway.

Current directorships and senior management positions *Nordic Semiconductor ASA (Director), Q-Free ASA (Chairman), XXL ASA (Director), InApril AS (Chairman), Remoy Group AS (Director) and Proventi AS (Owner and chairman).*

Previous directorships and senior management positions last five years Pharma AS (Chief financial officer) and Cermaq ASA (Chief financial officer).

12.3 Management

12.3.1 Overview

The Company's senior management team consists of eight individuals.

The names of the members of Management as at the date of this Prospectus, and their respective positions, are presented in the table below:

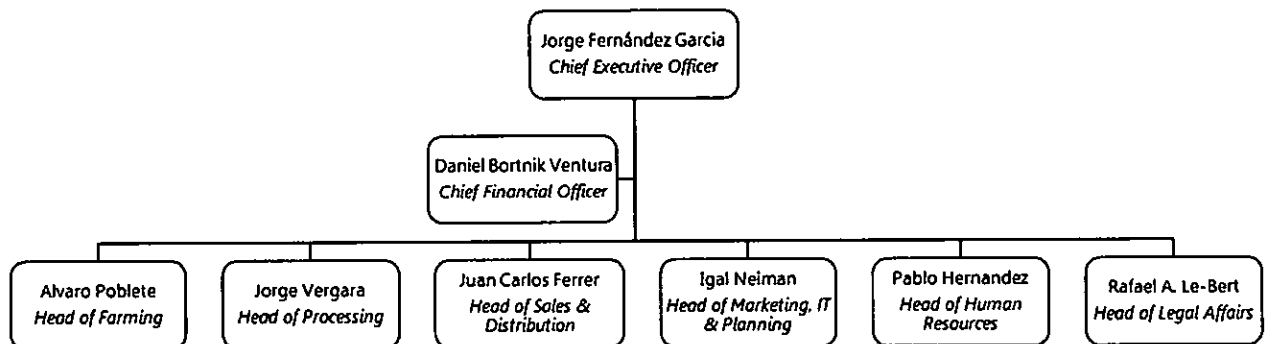
Name	Current position within the Group	Employed with the Camanchaca Group since
Jorge Fernández García ¹	Chief Executive Officer	1989
Daniel Bortnik Ventura	Chief Financial Officer	2011
Alvaro Federico Poblete Smith	Head of Farming	2005
Jorge Vergara González	Head of Processing	2011
Juan Carlos Ferrer Echavarrí	Head of Sales & Distribution	2012
Igal Nelman	Head of Marketing, IT & Planning	2011
Pablo Hernández Neira	Head of Human Resources	2012
Rafael A. Le-Bert	Head of Legal Affairs	2013

¹ Jorge Fernández García has been in the Camanchaca Group since 1989. Mr. Fernández is a member of the controlling family and son of the president of Compañía Pesquera. Mr. Fernández is also the brother of the general manager of the fishing division in the Camanchaca Group.

With the exception of Jorge Fernández García (CEO), Alvaro Federico Poblete Smith (Head of Farming) and Jorge Vergara González (Head of Processing), who are all employed directly by the Company, the remaining members of the Management as listed in the table above, are employed by Compañía Pesquera and perform their services for the Company under the Management Services Agreement as further described in Section 15.3.1 "Management Services Agreement".

The Company's registered business address, Avenida El Golf N° 99, Piso 10 Las Condes 7550125, Santiago, Chile, serves as the business address for the members of the Management in relation to their employment with the Company.

The following chart sets out the Management's organisational structure:



12.3.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Jorge Fernández García, Chief Executive Officer

Jorge Fernández García is a member of the ultimate shareholder family and has extensive experience within the salmon farming business as he has been in charge of the salmon division of the Camanchaca Group since 1989. Mr. Fernández holds several roles in the Camanchaca Group, both as CEO and director. Mr. Fernández is an economist and business administrator, holding an undergraduate degree from Universidad de Chile. Mr. Fernández is a Chilean citizen, currently residing in Santiago, Chile.

Current directorships and senior management positions *Fiordo Blanco S.A. (chief executive officer), Inmobiliaria Camanchaca S.A. (chief executive officer), Kabushiki Kaisha Camanchaca (director), Surproceso S.A. (director), Camanchaca Inc. (director) and Sur Proceso S.A. (Director).*

Previous directorships and senior management positions last five years *None.*

Daniel Bortnik Ventura, Chief Financial Officer

Daniel Bortnik Ventura has been with the Camanchaca Group since 2011. Prior to this, he held several financial positions in the largest electric utility company in Chile and Latin America, the Endesa Group, for more than 14 years. Mr. Bortnik also has board experience from serving on the board of directors of the electric distribution company Empresa Eléctrica Pehuenche S.A. Mr. Bortnik is an economist and business administrator, holding a degree from Pontificia Universidad Católica de Chile. Mr. Bortnik also holds an MBA from Pontificia Universidad Católica de Chile. Mr. Bortnik is a Chilean citizen, currently residing in Santiago, Chile.

Current directorships and senior management positions *Kabushiki Kaisha Camanchaca (director), Surproceso S.A. (director) and Camanchaca Inc. (director).*

Previous directorships and senior management positions last five years *None.*

Alvaro Federico Poblete Smith, Head of Farming

Alvaro Federico Poblete Smith has extensive experience within the salmon farming business. Prior to his employment with the Camanchaca Group, he held the position as chief operational officer of Aguas Claras S.A., a Chilean salmon and trout company. Mr. Poblete first joined the Camanchaca Group in 2005, and has since then held the position as operational and project manager, and more recently as the regional manager (2015). Mr. Poblete is an industrial civil engineer, educated from Universidad de Chile. Mr. Poblete is a Chilean citizen, currently residing in Santiago, Chile.

Current directorships and senior management positions *None.*

Previous directorships and senior management positions last five years *None.*

Jorge Vergara González, Head of Processing

Jorge Vergara González has held the position as Head of Processing since April 2017. Before his recent appointment, Mr. Vergara has held various positions within the Camanchaca Group, including purchasing manager, head of primary processing and senior business analyst. Prior to his employment with the Camanchaca Group in 2008, Mr. Vergara worked with engineering processes in CPT Empresas Marítimas S.A. and as a sub-commercial manager in Servicios Portuarios Quellón S.A. Mr. Vergara is an industrial civil engineer, educated from Universidad del Desarrollo. Mr. Vergara is a Chilean citizen, currently residing in Santiago, Chile.

Current directorships and senior management positions *None.*

Previous directorships and senior management positions last five years *Quellón Port Company (Sales & Operations Assistant Manager) and Surproceso S.A. (Head of Primary Processing), Tug Boat, Passenger and Wellboat Cabotage in Maritime Company (Senior Analyst Cargo) and Salmones Camanchaca S.A. (Purchasing Manager).*

Juan Carlos Ferrer Echavarri, Head of Sales & Distribution

Juan Carlos Ferrer Echavarri has extensive experience from his 30 years in the fishing and seafood business, where he over the years has led the sales and market divisions in other leading Chilean seafood companies, such as Coloso Group and Alimar. In his position as Corporate Business Director of Compañía Pesquera, Mr. Ferrer is responsible for all sales and marketing activities of the different divisions, including salmon farming, as well as the Camanchaca Group's international commercial offices. In addition to his role in the Company, Mr. Ferrer is a partner in the agricultural and forestry company Agrícola Renalco Ltda. and a partner in Inmobiliaria e Inversiones Santa María Ltda, which is a family company within the real estate market. Mr. Ferrer is an Industrial civil engineer with a degree from Pontificia Universidad Católica de Chile. Mr. Ferrer is a Chilean citizen, currently residing in Santiago, Chile.

Current directorships and senior management positions *New Worlds Currents Inc. (Chairman), Kabushiki Kaisha Camanchaca (Director), IFFO (International Fishmeal and Fishoil Association) (Director, representing the Chile South Region), Cannex S.A. (Director), Agrícola Renalco Ltda. (Partner) and Inmobiliaria e Inversiones Santa María Ltda. (Partner).*

Previous directorships and senior management positions last five years *None.*

Igal Neiman, Head of Marketing, IT & Planning

Igal Neiman has extensive managerial and financial experience from positions such as engagement manager in McKinsey & Company, positions within Banco de Chile and Deputy chief financial officer of Alico. Mr. Neiman has also held the position as teacher at MBA & Graduate Business School at Universidad de Chile within the subjects pricing, negotiation and strategy implementation. In addition to his employment with the Company, Mr. Neiman is the president for the Producers Committee for Chilean Salmon Marketing Campaign in Brazil. Mr. Neiman is an economist and business administrator, holding a degree from Universidad de Chile. In addition, Mr. Neiman also holds an MBA from Stern School of Business at the New York University. Mr. Neiman is a Chilean citizen, currently residing in Santiago, Chile.

Current directorships and senior management positions *Camanchaca Inc (Director) and Kabushiki Kaisha Camanchaca (Director).*

Previous directorships and senior management positions last five years *None.*

Pablo Hernandez Neira, Head of Human Resources

Pablo Hernandez Neira has several years of experience with staff management at Grupo Bimbo, a baking company in the Americas. In the Camanchaca Group, Mr. Hernandez functions as an advisor to, *inter alia*, corporate managers, regional managers and other employees with leading positions. He also works with performance evaluation and goal setting, including programs specific for each division and regional operations of the Camanchaca Group. Mr. Hernandez holds a degree in public administration from Universidad de Chile. In addition, Mr. Hernandez also holds a master's degree in human resources management from Universidad Adolfo Ibáñez. Mr. Hernandez is a Chilean citizen, currently residing in Santiago, Chile.

Current directorships and senior management positions *None.*

Previous directorships and senior management positions last five years *Soc. Commercial Hernandez y Escobar Ltda. (Family pharmacy partner).*

Rafael A. Le-Bert, Head of Legal Affairs

Prior to joining the Camanchaca Group, Rafael A. Le-Bert worked as a lawyer in several prestigious law firms in Chile, namely Moreles & Besa, Russi & Eguiguren Ltda and Uribe, Hubner & Canales. Mr. Le-Bert's expertise includes corporate law, business law, securities markets, mergers and acquisitions, fisheries and aquaculture law and compliance matters. Since March 2013, Mr. Le-Bert has held the position as General Counsel for Compañía Pesquera, a position that includes the role of Head of Legal Affairs of all subsidiaries within the Camanchaca Group, including the Company. Mr. Le-Bert is a lawyer, holding a master's degree in law from Université de Franche-Comté, Besançon in France and a law degree from Universidad de Chile. Mr. Le-Bert is a Chilean citizen, currently residing in Santiago, Chile.

Current directorships and senior management positions *None.*

Previous directorships and senior management positions last five years *None.*

12.3.3 Shares held by Management

As of the date of this Prospectus, none of the members of the Management owns any shares in the Company as shown by the table below:

Name	Position	No. of shares	No. of Options
Jorge Fernández García	Chief Executive Officer	0	0
Daniel Bortnik Ventura	Chief Financial Officer	0	0
Alvaro Federico Poblete Smith	Head of Farming	0	0
Jorge Vergara Gonzáles	Head of Processing	0	0
Juan Carlos Ferrer Echavarrí	Head of Sales & Distribution	0	0
Igal Nelman	Head of Marketing, IT & Planning	0	0
Pablo Hernández Neira	Head of Human Resources	0	0
Rafael A. Le-Bert	Head of Legal Affairs	0	0

12.4 Remuneration and benefits

12.4.1 Remuneration of the Board of Directors

The total remuneration paid to the Board of Directors for the financial year 2016 was USD 101,540. The levels of remuneration for the Directors for the financial year 2016 is set out in the table below (in USD).

Name	Position	Ordinary remuneration	Extraordinary remuneration	Total remuneration
Francisco de Borja Cifuentes Correa	Chairman	56,673	0	56,673
Ricardo García Holtz	Director	28,337	0	28,337
Jorge Fernández Valdés	Director	16,530	0	16,530

12.4.2 Remuneration of Management

The Board of Directors has established guidelines for the remuneration of the members of the Management. It is a policy of the Company to offer the Management competitive remuneration based on current market standards, company and individual performance. The remuneration consists of the basic salary element as set out below, combined with the bonus program described in 12.5 "Bonus programs". The Management participates in the Company's insurances and medical coverage, and is entitled to certain fringe benefits, such as telephone and newspaper. The Company may, in the future, make individual agreements for early retirement for individuals in the Management.

The Board of Directors has not established a separate remuneration committee. Accordingly, the Board of Directors will collectively determine the compensation to the Management in accordance with established guidelines.

The total aggregate remuneration paid to the members of the Management in 2016 was USD 657,311. The table below sets out the remuneration of members of the Management employed by the Company in 2016 (in USD):

Name	Salary	Bonus	Other benefits	Pension benefits	Total remuneration
Jorge Fernández García	332,145	66,539	-	-	398,684
Alvaro Federico Poblete Smith	149,030	26,488	-	-	175,517
Jorge Vergara González	74,183	8,926	-	-	83,110

12.4.2.1 Remuneration and service fee under the Management Services Agreement

As further described in Section 15.3.1 "Management Services Agreement" and Section 12.3.1 "Overview" above, certain members of the Management will be working under the Management Services Agreement pursuant to which the Company will pay a monthly service fee of USD 383,000.

12.5 Bonus programs

Employees are entitled to bonuses determined by annual goals related to strategic objectives, including financing, project and sustainability goals. The Company has established a bonus program for certain key employees (approximately 70). Bonus under this program is paid on an annual basis, determined on each of the employees' fulfillment of individual and annual strategic objectives. There are three main objectives in use: (i) Finance KPIs (30% - 40% ponderation), (ii) Processes or Projects metrics (40% - 50% ponderation) and Sustainability Indicators (20% - 30% ponderation).

12.6 Share incentive scheme

The Company does not have any share incentive schemes for members of Management or any other employees.

12.7 Benefits upon termination

No employee, including any member of Management, has entered into employment agreements which provide for any special contractual benefits upon termination. However, the Company has generally followed Chilean market practice to pay a severance of up to one month salary per year of service. None of the Directors, not being employees of the Group, have service contracts and none will be entitled to any benefits upon termination of office.

12.8 Pensions and retirement benefits

Pursuant to Chilean legislation, every employee is obliged to contribute to the Pension Fund System through a payment corresponding to 10% of its remunerations and taxable incomes. For the dependent employees, the Company is responsible for withholding and paying the contribution corresponding to 10% of the respective employees' salaries to the relevant Social Security Institution. The aforementioned payments to the relevant Social Security Institution are the only mandatory pension payments, and the Company is not legally obligated to arrange other pension programs for its employees. The Company does not have any particular pension programs in place.

12.9 Loans and guarantees

The Company has not granted any loans or guarantees or other commitments to any of its Directors, member of Management or to any other employees.

12.10 Employees

As of 30 September 2017, the Group had approximately 1,347 employees (full and part time, including hired), in which close to all employees are situated in Chile. There are three unions within the Company, to which 453 employees are affiliated. Each of these 453 employees have a Collective Employment Contract in force.

As at 30 September 2017, approximately 295 employees worked with farming, 761 with processing and 291 in the administration. Further, as at 30 September 2017, approximately 79% of the Group's employees were operators, 4% were professionals, 16% were administrative personnel and approximately 1% held managerial positions. As at 31 December 2016, 875 employees were categorized as labourers, while 270 employees were categorized as professionals and technicians. The remaining 15 employees were senior executives.

The table below shows the development in the numbers of the Group's employees and their geographic locations as at 30 September 2017 and the years ended 2016, 2015 and 2014.

	As at 30 September 2017	2016	As at 31 December 2015	2014
Headcount ¹	1,347	1,139	1,656	1,735
By country:				
- Chile	1,323	1,116	1,633	1,717
- United States ²	19	18	18	13
- Japan ²	5	5	5	5

¹ Headcount includes all employees, full-time, part-time and hired employees as at the relevant date.

² Employees situated in United States and Japan are employees whose work are directly related to Salmones' business, but who are not employed directly by Salmones.

12.11 Audit committee

The Board of Directors has established an audit committee composed of three Directors. The current members of the audit committee are Ricardo García Holtz (chairman), Hector Luis Felipe Sandoval Precht and Tore Valderhaug.

The primary purposes of the audit committee are to act as a preparatory and advisory committee for the Board of Directors in questions concerning accounting, audit and finance, as well as risk management. In particular, the audit committee shall:

- Monitor, amongst others, the financial reporting process, the effectiveness of the Company's internal control, internal audit and risk management system and the statutory audit of the annual and consolidated accounts,
- Monitor and review the independent auditor's qualifications and independence and the Company's internal accounting function; and
- Monitor the Group's compliance with applicable legal and regulatory requirements, and the Group's compliance with its governance policies.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

12.12 Corporate governance

The Company has adopted and implemented a corporate governance regime which complies with the Corporate Governance Code, with the following exceptions:

Deviation from section 6 "General meetings": Pursuant to Chilean law, notices to call for a general shareholders' meeting shall be made with a minimum of 15 days and first notices shall be between 15 to 20 days in advance of the respective general shareholders' meeting. The Bylaws stipulate that the general shareholders' meeting must be held within 30 days counted from the date a request to call for a general shareholders' meeting was made. In addition and pursuant to Chilean law, general shareholders' meetings shall always be presided by the chairman of the Board of Directors.

Deviation from section 7 "Nomination committee": The Company will not establish a separate nomination Committee and this is therefore not included in the Bylaws. According to the Company's corporate governance regime, the Company will consider the possibility to establish a nomination committee in the future. If so, any member of the Board of Directors who is also a member of the nomination committee may offer himself for re-election to the Board of Directors.

Deviation from section 8 "Corporate assembly and board of directors: composition and independence": Pursuant to Chilean law, the Board of Directors is the only corporate body entitled to elect or designate the chairman of the Board of Directors. According to section 7 of the Bylaws, the chairman of the Board of Directors shall be elected at the first board meeting following the Company's ordinary general shareholders' meeting.

Deviation from section 9 "The work of the board of directors": The Company will not establish a separate remuneration committee. The Board of Directors will collectively determine the remuneration to the Management. All members of the Board of Directors are independent of the Management.

12.13 Conflicts of interests etc.

Jorge Fernández Valdés (Director) is the father of the Company's CEO, Jorge Fernández García. Other than this, for the past five years preceding the date of this Prospectus, none of the Directors and the members of the Management have, or had, as applicable:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or

- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company.

To the Company's knowledge, there are currently no actual or potential conflicts of Interest between the Company and the private interests or other duties of any of the Directors and the members of the Management, including any family relationships between such persons.

13 THE SELLING SHAREHOLDER

The Company's controlling shareholder is Compañía Pesquera, a publicly held corporation listed on the Santiago Stock Exchange and governed by the laws of Chile (the "**Selling Shareholder**"). The Selling Shareholder has its business address at Avenida El Golf N° 99, Piso 10 Las Condes 7550125, Santiago, Chile.

As of the date of this Prospectus, the Selling Shareholder holds directly 56,817,904 Shares in the Company, corresponding to 86.0877% of the issued and outstanding Shares. In addition, 104 Shares, corresponding to 0.0002% of the issued and outstanding Shares are held by Inmobiliaria Camanchaca S.A., a wholly owned subsidiary of the Selling Shareholder. The remaining 9,181,992 Shares, corresponding to 13.9121% of the issued and outstanding Shares, are unsubscribed and unpaid New Shares to be allocated in the Offering.

The Offering comprises up 12,598,008 Sale Shares as offered by the Selling Shareholder. The table below shows details of the offering by the Selling Shareholder of Sale Shares in the Offering, including the Selling Shareholder's registered address and number of Shares held prior to allocation of the Sale Shares.

The number of Sale Shares to be sold by the Selling Shareholder will be subject to the final Offer Price.

Pursuant to the lock-up agreement between the Selling Shareholder and the Global Coordinator, the Selling Shareholder has given an undertaking that will restrict its ability to offer, sell or transfer Shares, as applicable, for a period ending 12 months from the first day of Listing. See Section 19.14 "Lock-up" for further details.

Name	Registered address	Number of Shares held	Maximum number of Sale Shares offered	Number of Shares held following the Offering ²	Percentage of issued share capital following the Offering ²
Compañía Pesquera Camanchaca S.A. ¹	Avenida El Golf N° 99, Piso 10 Las Condes 7550125, Santiago, Chile	56,817,904	12,598,008	44,219,896	67.00%
Inmobiliaria Camanchaca S.A. ¹	Avenida El Golf N° 99, Piso 10 Las Condes 7550125, Santiago, Chile	104	-	104	0.00%

¹ Primary Insider of the Company.

² Assuming a sale of all Sale Shares offered and that the Offer Price is set at the high end of the Indicative Price Range.

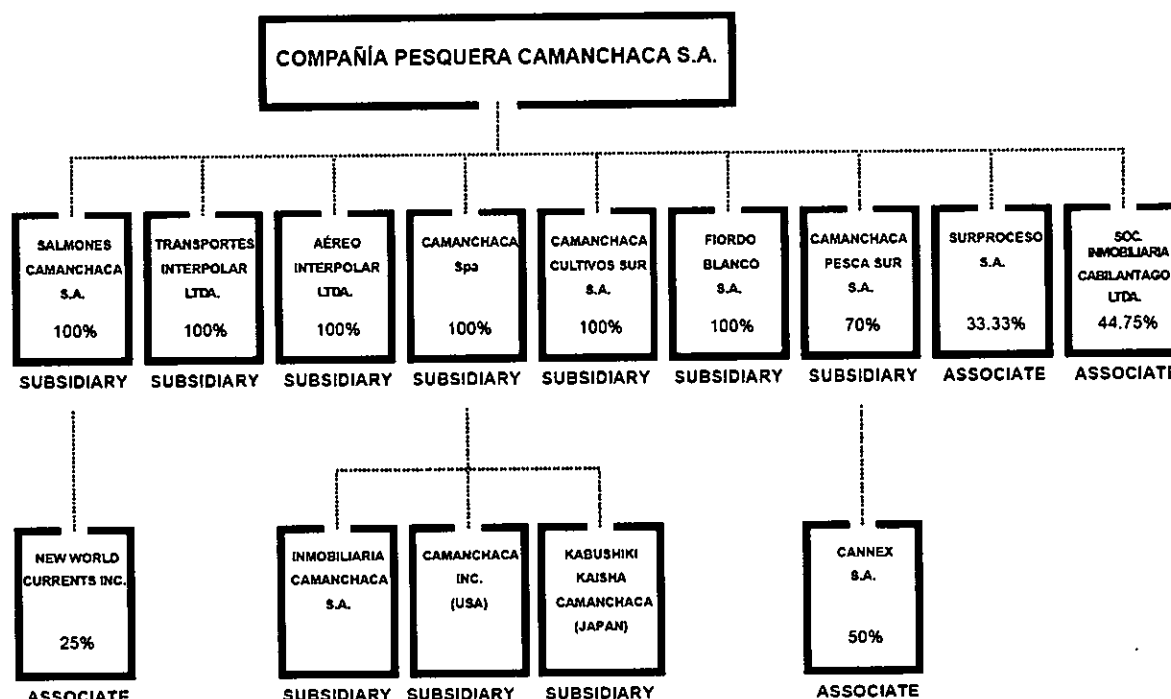
14 THE REORGANISATION AND REFINANCING

14.1 The Reorganisation

Prior to and in connection with the Listing, a reorganisation (the "**Reorganisation**") of the corporate structure of the Camanchaca Group has been implemented, resulting in, *inter alia*, the Company becoming the direct parent company of the Group by acquiring the ownership interests in the Subsidiary and establishing the Salmones Group by acquiring the ownership interests in Surproceso (together with New World Currents the "**Associated Companies**").²² In addition, the Company has been converted into a Chilean publicly held corporation.

The reason for the Reorganisation was to consolidate the Camanchaca Group's salmon farming operations and all assets used in sowing, harvesting and processing of Atlantic salmon under the Salmones Group.

The group chart below provide an illustration of the Camanchaca Group prior to the Reorganisation:



1 Percentages illustrates direct and indirect holdings.

The Reorganisation was approved at the extraordinary general shareholders' meeting of the Company held on 14 September 2017, in which the shareholders, *inter alia*, approved the following arrangements:

- (i) To increase the Company's share capital from USD 34,843,047 divided on 206,061 shares to USD 73,422,406.08 divided on 546,327 shares. All new Shares were subscribed for by the Selling Shareholder; and
- (ii) convert the Company into a Chilean publicly held corporation, which also included adopting new Bylaws and register the Company with SVS and submission to the jurisdiction of the SVS.

The share capital increase described in item (i) above comprised the following steps:

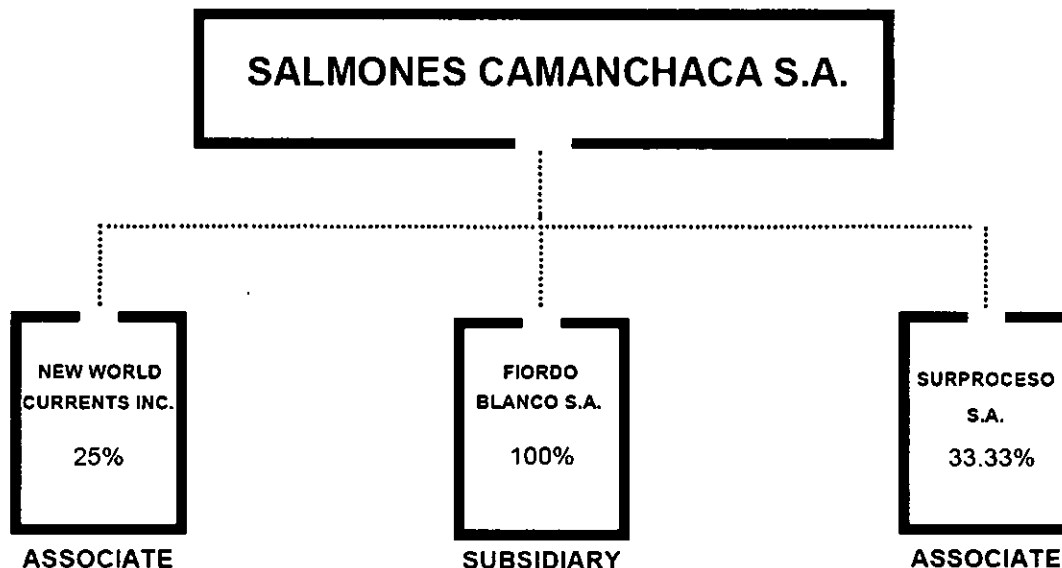
- (i) the Selling Shareholders' contribution of 413,319 shares in Fiordo Blanco, corresponding to 99.99% of the issued and outstanding shares in Fiordo Blanco, to the Company in exchange for the Company issuing 165,042 new Shares. The value of this contribution amounted to USD 18,712,483.45;

²² The Company's ownership in New World Currents was held prior to the Reorganisation.

- (ii) the Selling Shareholder's contribution of 500 shares in Surproceso, corresponding to 33.33% of the issued and outstanding shares in Surproceso, to the Company in exchange for the Company issuing 3,236 new Shares. The value of this contribution amounted to USD 366,851.32; and
- (iii) the Selling Shareholder's contribution of USD 19,500,024.31 as cash contribution to the Company in exchange for the Company issuing 171,988 new Shares.

As part of the Reorganisation, the Company also transferred 50% of the issues and outstanding shares in Transportes Interpolar Ltda., (i.e. its entire ownership stake) to the Selling Shareholder.²³

The group chart below provide an illustration of the Salmones Group following the Reorganisation:



1 Percentages illustrates direct and indirect holdings.

On 10 November 2017, the General Shareholders' Meeting resolved to make certain adjustments to the Bylaws. See Section 12.12 "Corporate governance" for further information concerning the Company's corporate governance.

Upon completion of the Offering, Compañía Pesquera is expected to, directly and indirectly, hold a shareholding in the Company of minimum 67%.

14.2 The Refinancing

Since May 2013, the main financing source for the Company and Compañía Pesquera has been the SFA entered into with Banco de Chile, BCI, Banco Estado, Banco Santander-Chile, Banco Security, Rabobank Curaçao and BBVA Chile as lenders. The SFA comprises two tranches which amounts to a total of USD 216 million. Pursuant to the terms of the SFA, interest payments are set every one, two, three or six months (at the borrower's request) and the interest rate is calculated based on LIBOR +1.5% in addition to cost of funds of banks that participate in the credit (if any). Final settlement under the SFA is the period from May 2017 to November 2018 and the annual interest rate is approximately 3%.

On 20 September 2017, it was announced that the Company and Compañía Pesquera had received an offer from DNB and Coöperatieve Rabobank UA for a total financing of USD 165 million, of which USD 100 million is allocated the Company. In addition to use of existing funds, the new facility allows for an advance payment of all existing bank debt, including the SFA (the "Refinancing"). See Section 11.5.2 "Material indebtedness" for an overview of the Company's new Revolving Credit Facility.

²³ The transactions carried out as part of the Reorganisation was based on generally accepted accounting principles meaning that they were consumed under the common control concept. The acquisition of Fiordo Blanco and Surproceso was carried out in accordance with IFRS 3 "Business combination" and the sale of the Company's ownership in Transportes Interpolar Ltda. was based on a fair value price.

15 RELATED PARTY TRANSACTIONS**15.1 Introduction**

Below is a summary of the Company's related party transaction for the periods covered by the Historical Financial Information included in this Prospectus as Appendices B and C, and also related party transactions for the period up to the date of this Prospectus. For further information on related party transactions of the Company, see note 8 of the Financial Statements and the Interim Financial Statements, included in Appendices B and C to this Prospectus. All related party transactions have been concluded at arm's length principles.

15.2 Transactions carried out with related parties in the nine month period ended 30 September 2017 and in the years ended 31 December 2016, 2015 and 2014

The below table gives an overview of the transactions with related parties in the nine month period ended 30 September 2017 and the years ended 31 December 2016, 2015 and 2014:

<i>In USD thousands</i>	As of	Year ended		
	30 September	31 December		
	2017	2016	2015	2014
Transaction				
<i>Profit and loss:</i>				
Sales to related parties.....	58,121	102,759	108,208	124,940
Purchases from related parties	9,317	13,711	17,464	17,492
Interest expense shareholder loans.....	-	-	-	-
<i>Balance sheet:</i>				
Loans to related parties.....	-	-	-	-
Prepayments.....	-	-	-	-
Receivables.....	16,060	15,547	15,563	18,226
Current payables	3,020	32,812	34,727	31,823
Non-current payables	9,733	36,372	60,924	45,012
Shareholder loan	-	-	-	-
Loans from other related parties.....	-	-	-	-

15.3 Agreements with related parties**15.3.1 Management Services Agreement**

On 30 November 2017, the Company entered into a revised agreement with Compañía Pesquera, whereby Compañía Pesquera provides the Company with certain management services (the "**Management Services Agreement**"). The scope of the Management Services Agreement includes administrative and back office services for its organisation, consisting of, *inter alia*, financial, commercial, legal and human resources management, accounting, treasury, risk management, internal audit, foreign trade, marketing, logistics, purchasing and supplies. The Management Services Agreement is a non-exclusive agreement. Other services covered by the Management Services Agreement includes the obligation to Compañía Pesquera of having a contingency plan that allows to continue the provision of the services to the Company in the event of catastrophes or events of force majeure or accidental event, which shall include a processing back-up agreement and an agreement for storage of magnetic media. The Management Services Agreement may be terminated by either party pursuant to a 12 months prior notice and any one service provided under the agreement may be terminated pursuant to a 6 months prior notice. Pursuant to the Management Services Agreement, the Company will pay a monthly service fee of USD 383,000.

15.3.2 Distribution Agreements

As further described in See Section 8.7 "Markets of operation", the Company has entered into the Distribution Agreements with Compañía Pesquera and the Sales Agents governing the sales commission to be paid by the Company for use of Compañía Pesquera's existing marketing and sales channels. The Company will pay a sales commission varying between 1.5% - 4% of all sales under the Distribution Agreements. As of the date of this Prospectus, no commission has been paid under the Distribution Agreements but will be paid from the time of Listing. However, the Distribution Agreements are a continuation of a previously existing distribution arrangement between the parties pursuant to which the Sales Agents have received compensation in the form of a gross margin. Each of the Distribution Agreements may be terminated by either party pursuant to a 6 months prior written notice of termination.

15.4 Transactions carried out with related parties in the period following 30 September 2017 and until the date of this Prospectus

In the period subsequent to 30 September 2017, the Group has not entered into any new related party agreements, except for the Licensing Agreement, the Distribution Agreements and the Management Services Agreement.

16 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Bylaws and applicable Norwegian and Chilean law in effect as at the date of this Prospectus, including the Chilean Corporations Act. The summary does not purport to be complete and is qualified in its entirety by the Bylaws included in Appendix A to this Prospectus, and applicable law.

16.1 Company corporate information

The Company's registered name is Salmones Camanchaca S.A. The Company is a publicly held corporation and existing under the laws of Chile pursuant to the Chilean Corporations Act (Law No. 18,046) (the "**Chilean Corporations Act**"). The Company was incorporated on 26 June 2009 as a privately held corporation under the laws of Chile and in accordance with the Chilean Corporations Act. In the extraordinary general shareholders' meeting held on 14 September 2017, the Company was converted from a privately held corporation into a publicly held corporation. On 14 December 2017, the conversion was registered and approved by the SVS.

The Company's tax ID number is 76065596-1, and the Shares are registered in book-entry form with the VPS under ISIN CL0002409135, while the underlying shares, being common shares in the Company, are registered with the SVS under the same ISIN. The principal shareholder register of the Company is maintained at the registered office of the Company in Chile and the share certificates are held in custody by the Chilean Custodian in Santiago, Chile, pursuant to the provisions of the Chilean Corporations Act. The Company's shareholder register is administered by the SERCOR (Servicios Corporativos Sercor S.A.), Avenida El Golf 150, Piso 1, Las Condes, Santiago, Chile, and recorded in book-entry form with the Santiago Stock Exchange. The Company's VPS register is administered by the VPS Registrar.

The Company's registered office is at Avenida El Golf N° 99, Piso 10, Las Condes 7550125, Santiago, Chile and telephone: +56 223635700. The Company's website can be found at www.salmonescamanchaca.cl. The content of www.salmonescamanchaca.cl is not incorporated by reference into and does not otherwise form part of this Prospectus.

16.2 Legal structure

The Company is the parent company of the Group and is an operating entity. The Salmones Group's operations are carried out by the Company together with its Subsidiary and Associated Companies, as illustrated in the table below and the Group chart in Section 14.1 "The Reorganisation".

The following table sets out information about the entities in which the Company, as at the date of this Prospectus, holds (directly or indirectly) more than 10% of the outstanding capital and votes.

Company	Country of incorporation	Field of activity	% holding
Fiordo Blanco S.A.	Republic of Chile	Research, development, farming, processing, production and marketing of marine products.	99.99%
New World Currents Inc.	Panama	New World Currents Inc. is the parent company of New World Currents Limited. New World Currents Limited was incorporated under the laws of Hong Kong Special Administrative Region of the People's Republic of China. The Panamanian company is formed by the Company, Australis, Blumar and Yadrán. New World Currents Limited was created exclusively for competing in the Chinese market, and is the number one exporter of Chilean salmon.	25%
Surproceso S.A.	Republic of Chile	Services related to aquaculture.	33.33%

As at the date of this Prospectus, the Company is of the opinion that with the exception of its holding in its Subsidiary, its holdings in the other entities specified above are not likely to have a significant effect on the assessment of its own assets and liabilities, financial condition or profits and losses.

See Section 14 "The Reorganisation" for information about the completed Reorganisation of the salmon farming operations of the Camanchaca Group and the current group chart of the Salmones Group. Upon completion of the Offering, Compañía Pesquera is expected to, directly and indirectly, hold a shareholding in the Company of minimum 67%.

16.3 Authorised and issued share capital and share capital history

As at the date of the Prospectus, the Company's share capital is USD 91,786,390.08 divided into 66,000,000 common shares, each without a par value. All the shares have been created under the Chilean Corporations Act and are validly issued. A total of 56,818,008 of the shares in the Company are fully paid, while the remaining 9,181,992 shares are unsubscribed and unpaid shares to be allocated in the Offering as the New Shares.

The Company has one class of shares and accordingly there are no differences in voting rights between the underlying shares and the Shares. There are no share options or other rights to subscribe for or acquire shares issued by the Company. Neither the Company nor any of its Subsidiary or Associated Companies directly or indirectly owns shares in the Company.

16.3.1 Share capital history

The table below shows the development in the Company's share capital for the period from 1 January 2014 to the date of this Prospectus:

Date of resolution	Type of change	Change in share capital (USD)	Share price (USD)	Par value (USD)	New number of Shares	New share capital (USD)
14 September 2017	Share capital increase	38,579,359.08	113.38	N/A	56,818,008	73,422,406.08
6 November 2017	Share capital increase	18,363,984	2	N/A	66,000,000	91,786,390.08

In the period from the Company's incorporation to the date of this Prospectus, USD 19,079,334.77 of the share capital has been paid with assets other than cash (corresponding to approximately 20.8% of the current share capital).

16.4 Admission to trading

The Company will on or about 24 January 2018 apply for admission to trading of the Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange approves the listing application of the Company on or about 30 January 2018, subject to certain conditions being met. See Section 19.11 "Conditions for completion of the Offering – Listing and trading of the Offer Shares".

The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on or about 2 February 2018. On 21 December 2017, the Company applied for a listing of its shares on the Santiago Stock Exchange, which was granted on 3 January 2018. The Company's expects commencement of trading in the shares on the Santiago Stock Exchange on or about 2 February 2018.

16.5 Description of the Shares**16.5.1 Introduction**

The VPS Registrar will issue and deliver the Shares to the Shareholders. Each Share will represent one share as registered in the Company's shareholder register in Chile and be registered in the name of the Chilean Custodian of the VPS Registrar. Shareholders will not have direct shareholder rights as the VPS Registrar will be the holder of the underlying financial instruments of the Shares. See Section 16.5.6 "Mandatory provisions of Chilean law relating to the Shares" below for a description of the mandatory provisions under Chilean law relating to the Shares. The rights and obligations of the VPS Registrar are described further in Section 16.6.2 "The Registrar Agreement".

16.5.2 Issuance

The VPS Registrar will issue and deliver the Shares to the Shareholders in the VPS register. All Shares will be issued and registered in book-entry form through the VPS system and Shareholders will receive periodic statements from the VPS Registrar showing the number of Shares held.

16.5.3 Record dates

The Company may fix a record date for the determination of the Shareholders who will be entitled to receive any distribution on or in respect of the shares, to give instructions for the exercise of any voting rights, to receive any notice or to act in respect of other matters and only such Shareholders at such record date will be so entitled or obligated. The VPS registrar may fix the same. Under Chilean law, the shares will give specific shareholder rights (including the right to dividend) to the shareholders registered in the shareholders' registry of the Company at least five business days in advance of the date on which such right could be exercised. Accordingly, the new underlying shares will carry dividend entitlement five business days after the registration of such shares in the Company's shareholder register.

16.5.4 Voting rights

Each underlying share, and each of the Shares, carries one vote. Shareholders may instruct the VPS Registrar to vote the underlying shares, subject to any applicable provisions of Chilean law. The Company will furnish voting materials to the VPS Registrar and the VPS Registrar will notify the Shareholders of the upcoming vote and arrange to deliver the Company's voting materials to the Shareholder. Otherwise, Shareholders will not be able to exercise their voting rights unless the steps outlined in Section 17.4 "The VPS and transfer of Shares" are followed. The VPS Registrar's notice will describe the information in the voting materials and explain how Shareholders may instruct the VPS Registrar to vote the underlying shares.

The VPS Registrar will only vote or attempt to vote as Shareholders instruct. The VPS Registrar itself will not exercise any voting discretion.

16.5.5 Reclassification, recapitalisation and mergers

If the Company reclassify, split up or cancel any of the deposited securities; distribute securities on the shares that are not distributed to Shareholders; or recapitalize, reorganize, merge, consolidate, liquidate, sell all or substantially all of its assets, or go into liquidation, receivership or bankruptcy; then the VPS Registrar may choose to either (i) amend the form of the Shares, (ii) distribute additional or amended Shares, (iii) distribute the cash, securities or other property received in connection with such actions or (iv) sell any securities or property received and distribute the net proceeds as cash. If the VPS Registrar does not choose any of the above, the cash, securities or other property it receives will constitute deposited securities and each Share will automatically represent its equal share of the new deposited cash, securities or other property, or a combination thereof, as the case may be.

16.5.6 Mandatory provisions of Chilean law relating to the Shares

16.5.6.1 Foreign exchange

The right to convert into Norwegian kroner or other currency the Chilean pesos received in connection with the shares and remit abroad dividends and other payments are contingent upon the satisfaction of the terms and conditions set forth in the Compendium of Foreign Exchange Regulations approved by the Central Bank. Further, access to the formal currency market may not be automatic and may require the approval of Banco Central de Chile (the "Central Bank"). In addition, additional restrictions could be imposed by the Chilean Government and the Central Bank may restrict access to the formal currency market.

16.5.6.2 Taxes

For purposes of tax rulings dated January 29, 1990 and October 1, 1999 issued by the Chilean *Servicio de Impuestos Internos* regarding certain tax matters relating to depository receipts, the acquisition value of any share or other deposited security upon its withdrawal by a Shareholder upon surrender of the corresponding Share shall be the highest reported sales price of such share or other deposited security on the Santiago Stock Exchange on the day on which the transfer of such share or other deposited security from the VPS Registrar to such Shareholder is recorded on the books of the share registrar of the Company. In the event that the shares or other deposited securities are not then traded on the Santiago Stock Exchange, such value shall be the highest reported sales price on the principal stock exchange or other organized securities market in Chile on which such shares or other deposited securities are then traded. In the event that no such sales price is reported on the day on which such transfer is recorded on the books of the share registrar of the Company, such value shall be deemed to be the highest sales price reported on the last day on which such sales price was reported; provided, however, that if such day is more than 30 days prior to the date of such transfer, such price shall be increased (or decreased) by the percentage increase (or decrease) over the corresponding period in the Chilean consumer price index as reported by the pertinent governmental authority of the Chile. Notwithstanding the foregoing, in the event that the exchanged shares are sold by the Shareholder on a Chilean stock exchange on the same day on which the transfer is recorded on the books of the share registrar of the Company or within two Chilean business days prior to the date on which the sale is recorded on those books, the acquisition price of such exchanged Shares shall be the price registered in the invoice issued by the stockbroker that participated in the sale transaction.

16.5.6.3 Securities regulation

Shareholders shall, as a matter of Chilean law, be obligated to comply with the disclosure and ancillary requirements of Articles 12 and 54 and Title XV of Law 18,045 of Chile and applicable SVS regulations. The VPS Registrar shall have no obligation to provide information to the Shareholders in this regard.

16.5.6.4 Information

The VPS Registrar shall provide to the Company the information on the data and withdrawal of Shares, the number of Shares in circulation, and also information on the transactions on Shares, including at least price (if and when made available by the VPS) and units traded.

16.5.6.5 Custodian

The Chilean Custodian of the VPS Registrar shall be Banco de Chile, as per an already existing agreement between the VPS Registrar and Citibank, N.A.

16.6 VPS registration of the Shares

16.6.1 Introduction

In order to facilitate registration of the Shares in the VPS, the Company has entered into a deposit and registrar agreement (the "**Registrar Agreement**") with the VPS Registrar, who administers the Company's VPS register. The VPS Registrar is DNB Bank ASA, a public limited company incorporated on 10 September 2002, and operating, under Norwegian law with registered office at Dronning Eufemias gate 30, P.O. Box 1600 Sentrum, N-0021 Oslo, Norway.

Pursuant to the Registrar Agreement, the Chilean Custodian is registered as holder of the shares in the Company's shareholders register in Chile, which the Company is required to maintain pursuant to Chilean law. The VPS Registrar registers the Shares, including the Offer Shares, in book-entry form with the VPS. Therefore, it is not the common shares in registered form issued in accordance with the Chilean Corporations Act, but the beneficial interests in such shares in book-entry form that are registered with the VPS.

At the date of this Prospectus, the Company has only one class of Shares. The Shares have ISIN CL0002409135.

The Registrar Agreement is subject to Norwegian law and, accordingly, the Offer Shares delivered will be established under Norwegian law. The Offer Shares will be registered in book-entry form with the VPS under the category of a "share" and it is such interest in the Shares that will be registered and traded on the Oslo Stock Exchange. Each Share registered with the VPS will represent the beneficial ownership of one share. The Shares are freely transferable, with delivery and settlement through the VPS system. The Shares will be priced and traded in NOK on the Oslo Stock Exchange.

16.6.2 The Registrar Agreement

Under the Registrar Agreement, the VPS Registrar will register the Shares in the VPS register. The shares will be registered in the Company's share register in the name of the Chilean Custodian. The Shareholders must look solely to the VPS Registrar for the payment of dividends, for the exercise of voting rights attaching to the Shares and for all other rights arising in respect of the Shares. In order to exercise any rights as shareholder, a Shareholder must retire his or her Shares in the VPS in order to receive shares. Such transfer will disable trading on the Oslo Stock Exchange, until the Shares are re-registered in the VPS. Shareholders who wish to retire their interest in the VPS must contact the VPS Registrar.

The Company will pay dividends directly to the VPS Registrar, which in turn has undertaken to distribute the dividends and other declared distributions to the Shareholders in accordance with the Registrar Agreement. Shareholders who maintain a Norwegian address in the VPS register or have supplied VPS with details of their NOK account shall receive their dividend payment in NOK to such account. Dividends will however be resolved and paid by the Company in USD as the accounting currency of Salmones. Shareholders whose address registered with the VPS is outside Norway and who have not provided the VPS with details of any NOK account, will receive dividends by cheque in their local currency. If it is not practical in the VPS Registrar's sole opinion to issue a cheque in a local currency, a cheque will be issued in USD. The exchange rate(s) that will be applied will be the VPS Registrar's exchange rate on the date of issuance. The VPS Registrar will not hold any right to share in profits and any liquidations surplus which are not passed on to the Shareholders.

The VPS Registrar shall not attend nor vote at any of the Company's general shareholders' meetings, other than pursuant to an authorisation from the Shareholder. The authorisation shall be registered in the VPS.

The Shareholders have the right to require the Shares to be delivered into the underlying share. If claimed by a Shareholder, the VPS Registrar may submit an application to the Board of Directors and request transfer of Shares from the account of the VPS Registrar to a new account in the name of the Shareholder. The Board of Directors should not unreasonably withhold the reply to such applications. An application from the VPS Registrar includes, but not limited to, proceedings in connection with a take-over of the Company.

The VPS Registrar is only liable for any direct loss suffered by the Company as a result of breach of contract. Each of the Company and the VPS Registrar may terminate the Registrar Agreement at any time with a minimum of three months' prior written notice, or immediately upon written notice of a material breach by the other party of the Registrar Agreement. In the event that the Registrar Agreement is terminated, the Company will use its reasonable best efforts to enter into a replacement agreement for purposes of permitting the uninterrupted trading of the Shares on the Oslo Stock Exchange.

16.7 Ownership structure

As at the date of this Prospectus, the Company has two shareholders, Compañía Pesquera and Inmobiliaria Camanchaca S.A., a wholly owned subsidiary of Compañía Pesquera. Accordingly, Compañía Pesquera holds directly and indirectly the entire share capital of the Company.

There are no differences in voting rights between the shareholders.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 17.7 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act.

Upon completion of the Offering, Compañía Pesquera is expected to, directly and indirectly, hold a shareholding in the Company of minimum 67%. Compañía Pesquera may as a consequence of its substantial shareholding exercise control over the Company following the Offering. The Company is not aware of any other persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected against abuse by the relevant regulations under Chilean law. See Section 16.12 "The Bylaws and certain aspects of Chilean law" and Section 17.9 "Mandatory offer requirement".

The Shares have not been subject to any public takeover bids.

16.8 Authorisation to increase the share capital and to issue Shares

The Company does not hold any authorisations to increase the share capital of the Company or to issue new Shares in the Company.

16.9 Authorisation to acquire treasury shares

The Company does not hold any treasury shares nor does the Company hold an authorisation to acquire treasury shares.

16.10 Other financial instruments

The Company has not issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company as of the date of this Prospectus. Further, none of the companies in the Group has issued any convertible loans or subordinated debt or transferrable securities.

16.11 Shareholder rights

The Company has one class of shares in issue, and all shares in that class have equal rights to all such other shares in that class as set out in the Bylaws, including the right to any dividend. Each of the shares carries one vote. The rights attaching to the shares are described in Section 16.12 "The Bylaws and certain aspects of Chilean law".

16.12 The Bylaws and certain aspects of Chilean law

The Bylaws are set out in Appendix A to this Prospectus. Below is a summary of provisions of the Bylaws and certain aspects of applicable Chilean law. The Company is governed by the Bylaws, and in respect of any matter not particularly provided in the Bylaws, by the provisions of the Chilean Corporations Act and other provisions applicable to

companies with similar legal form as the Company's. The Bylaws include general regulations required by Chilean legislation, such as the purpose of the corporation, shareholders meetings and board of directors. There are no provisions in the Bylaws that would have an effect of delaying, deferring or preventing a change in control of the Company.

16.12.1 Purpose of the Company

As set out in section 3 of the Bylaws, the purpose of the Company is: a) the activity of aquiculture in general and, in particular, the breeding, production and nursing of salmon, trout and other salmonidae as well as all kind of species, beings or organisms that have the water as their normal or more frequent natural environment, including the investigation and development of the genetics of Salmonidae, and the industrialization, processing, elaboration, cooling, freezing, drying, packing, packaging, transporting and marketing of the products, byproducts and derivatives of the aquiculture activity, all as principal and also providing services to third parties in the activities mentioned above; and b) the investigation and development, production and manufacture of raw materials, machines, elements and materials for the activity of aquiculture, all for its own industry and for their marketing to third parties.

16.12.2 Domicile of the Company

The Company's domicile is the district of Las Condes, Metropolitan Region, Republic of Chile. The Company may establish agencies or branches elsewhere in Chile or abroad.

16.12.3 Share capital and par value

The share capital of the Company is the amount of USD 91,786,390.08, divided into 66,000,000 shares. The Company's shares are without a par value. All Shares are of the same and single series, without any privilege whatsoever. All shareholders have a pre-emptive rights, on a pro rata basis, to subscribe for new shares in the case of a capital increase.

16.12.4 Restriction on transfer of Shares

The Chilean Corporations Act expressly prohibits that the bylaws of listed corporations include provisions that restrict the free transfer of shares. The Bylaws does not provide for any restrictions on the Shares' transferability.

16.12.5 The Board of Directors

Election, composition and removal of the Board of Directors

The Board of Directors is elected by the General Shareholders' Meeting. The Company's board of directors shall be formed by five directors, who may be re-elected indefinitely. The Board of Directors shall be in office for a period of two years, and at the end of the period the Board of Directors will be renewed completely.

Pursuant to the Chilean Corporations Act, the Shareholders are not empowered to remove a single director, and directors may only be removed all at once. As such, the entire Board of Directors will be replaced or re-elected collectively, every two years.

Chilean publicly held corporations are required to have a board of directors consisting of at least seven directors, where at least one of them is independent, and establish a directors' committee if the following targets are reached:

- (i) A market capitalization equal to or higher than the equivalent of 1.5 million UF (approximately USD 62 million); and
- (ii) At least 12.5% of the issued shares are owned by shareholders that individually control or own less than 10% of such shares.

Pursuant to the Chilean Corporations Act and regulations issued by the SVS, if a Chilean publicly held corporation reaches the targets in (i) and (ii) above in any given year, the requirements to the board of directors' composition and independence, as well as the establishment of a directors' committee must be implemented the following year. If the Company reaches the above targets during the course of 2017, the requirements must be implemented in the ordinary general shareholders' meeting in 2018, followed by a board meeting within thirty days from the shareholders' meeting. The Chilean Corporations Act and the regulations issued by the SVS do not open for exemptions from these requirements.

The Director's tasks and responsibilities

The Board of Directors represents the Company both in and out of court, and is thus ultimately the responsible for carrying out the business in compliance with the Company's purpose. Such compliance shall nonetheless not be necessary to evidence to third parties. The Board of Directors is vested with all powers of administration and the disposition rights that the laws or the Bylaws do not reserve to the shareholders through the General Shareholders' Meeting. Since the Board of Directors has broad powers of administration, it is not necessary to grant them special power of attorneys in any circumstances (applying also to acts or contracts under which a power of attorney is required by law). The Board of Directors is, through the Bylaws, granted with a broad authorisation to perform all acts and execute all contracts that it may consider convenient for the administration of the corporate business and the investment of the Company's resources.

Election of the chairman

At the first meeting following the ordinary general shareholders' meeting appointing the Directors, the Board of Directors shall elect a chairman among its members. Pursuant to the Chilean Corporations Act, the Board of Directors is the only corporate body who is entitled to appoint the chairman. Hence, the authority may not be delegated to the shareholders' through a general shareholders' meeting.

The chairman's tasks and responsibilities

The chairman shall be the president of the Company, and shall as such preside board meetings and general shareholders' meetings. In the event of absence, death, legal incapacity or impediment of the chairman, which in no circumstances will be necessary to demonstrate to third parties, the function of the President, which includes the authority and all powers granted to him or her, will be carried out by the director appointed to that effect by the Board of Directors.

Remuneration of Directors

Directors are entitled to receive compensation for carrying out their duties. The amount of compensation shall be annually decided by the shareholders at the ordinary general shareholders' meeting.

Board Meetings

The Board of Directors shall hold ordinary and extraordinary meetings, the first on a monthly basis and the latter only when so is especially convened (either on his or her initiative or at the request of one or more directors). A quorum is formed when three directors attend the meeting. The resolutions are adopted with affirmative votes of the absolute majority of the Directors attending the meeting. The chairman, or whoever performs as such, has the casting vote.

Implementation of board resolutions

The discussions and resolutions of the Board of Directors shall be transcribed into a book of minutes, which will be kept by any means that can ensure that no insertions, suppressions or any other adulteration will affect the fidelity of the respective minutes. All participating Directors shall sign the board minutes, together with the secretary. The Board of Directors' decisions shall not be considered approved and will not be in force until the board minutes is signed by all attending Directors. Pursuant to the Bylaws, if any of the Directors dies, becomes incapacitated for any reason or refuses to sign the relevant minutes, the respective circumstance of death, impediment or refusal shall be certified by the secretary at the bottom of the respective minutes.

Acquittal from liabilities

A Director who wants to be acquitted for his or her liability related to an act or resolution made by the Board of Directors, must request that his or her opposition is recorded and included in the board minutes (being mandatory to inform of such fact in the following ordinary general shareholders' meeting by whoever presides it). Further, a Director who considers board minutes to contain inaccuracies or omissions has the right to express, prior to its execution, the observations that may correspond.

16.12.6 Management and the CEO**Appointment of the CEO**

The Company's CEO is designated by the Board of Directors, and is vested with the authority assigned to him or her by law, as well as the authority granted by the Board of Directors.

Tasks and responsibilities of the CEO

Among other duties, the Company's CEO shall act as secretary to the Board of Directors as well as the General Shareholders' Meeting, at all the meetings held. However, the Board of Directors has the power to entrust such secretarial duties to another person, either in a permanent fashion or at specific meetings.

Remuneration of the chief executive officer and Management

The Company's CEO and Management receive such remuneration as the Board of Directors determines.

Appointment of Management

The Management is appointed by the Board of Directors, and the same provisions that apply for the Directors shall apply for members of the Company's management team, if applicable, and especially regarding incompatibilities, prohibitions, acts or contracts where a director/member of the management team has interest, etc. The Board of Directors determine the Management's attributions, duties and is also empowered to replace its members in their sole discretion.

The manager or CEO, as appropriate, shall be the corporation's judicial representative and shall have the right to be heard in board meetings, being liable with the directors for any unfavourable agreements for the corporation and the shareholders if they do not express their disagreement in the relevant minute. The manager or CEO, as appropriate, is not allowed to also be the chairman, auditor or accountant, and in listed corporations the manager cannot be a part of the board of directors.

16.12.7 Indemnification and exculpation of directors and members of management

According to the Chilean Corporations Act, directors and members of a corporation's management must, in the exercise of their functions, use the care and diligence that people normally use in their own businesses and shall be jointly liable for any damage caused to the corporation and the shareholders for any fraudulent or negligent actions. Additionally, directors and members of management shall be presumed guilty and therefore jointly liable of damages caused to the corporation, shareholders or third parties in the following cases: (i) if the corporation does not keep books or records; (ii) if the board of directors agrees on the distribution of dividends having the corporation accumulated losses, but only in respect of those directors who concurred to the relevant agreement; (iii) if the corporation should conceal its property, recognise presumed debts or should stimulate sales; and (iv) directors who are unduly benefited, directly or through another individual or corporation that, in turn, may cause damage to the corporation, are equally presumed guilty.

Any provisions in the corporate bylaws and any agreement adopted by the shareholders in a general shareholders' meeting that tends to avoid or restrict the liability of directors referred to in the foregoing paragraph shall be deemed null and void. The shareholders' approval at a general shareholders' meeting of the annual report and the balance sheet submitted by the board of directors, or the approval of any other account or general information, does not release directors of their responsibility for specific actions or businesses. Moreover, the specific approval thereof does not exempt them of such liability when those actions or businesses were carried out or executed with negligence, gross negligence or fraud.

16.12.8 General shareholders' meetings**Ordinary and extraordinary general shareholders' meetings**

Both ordinary and extraordinary shareholders meetings shall be held during the course of the year. The latter is nonetheless limited to specific situations. The ordinary general shareholders' meeting shall be held within the first quarter of each year. Pursuant to the Bylaws, certain decisions shall be made at the ordinary shareholders meeting each year, which are further described below. Extraordinary shareholders' meetings may be held at any time, however limited to situations when so is required by corporate needs, to resolve matters that laws or the Bylaws reserve to the Shareholders through the extraordinary shareholders' meeting. Matters to be dealt with by the shareholders shall be indicated in the summon notice of the extraordinary general shareholders' meeting.

The Board of Directors shall summon for an ordinary or extraordinary shareholders' meeting, as the case may be, whenever so is required by the SVS, notwithstanding SVS' authority to call for shareholders' meetings directly. In addition, the Board of Directors shall summon an ordinary or extraordinary shareholders' meeting, as the case may be, when so is requested by shareholders representing minimum 10% of the issued share capital. Meetings called for by shareholders' or the SVS' initiative shall be held within thirty (30) days from the request date.

Participation and notice period

The Bylaws does not regulate the notice period, nor the notice procedure, when calling for an ordinary or extraordinary general shareholders' meeting. However, the notice period is regulated by the Chilean Corporations Act. Notices to summon a general shareholders' meeting, irrespective of being an ordinary or extraordinary meeting, shall be made with a minimum of 15 days. The notice must be published between 15 and 20 days prior to the date of the respective general shareholders' meeting.

The shareholders may be represented in the general shareholders' meetings by another person, even if such person is not a shareholder. The presented authorisation (power of attorney) must be given by the shareholder in writing for the total shares held by such shareholder. The authorisation must be given five days before the relevant general shareholders' meeting. The Chilean Companies Regulations Act shall specify the text of the power of attorney and the rules for the qualifications thereof. Only shareholders who holds shares registered in the shareholders' registry five days before the relevant general shareholders' meeting shall have the right to participate in the relevant meeting and exercise its right to vote.

Issues to be decided by the shareholders' meeting shall be individually submitted to voting, except when the attending shareholders with voting rights unanimously allow to disregard voting for one or more specific issues. All voting procedures carried out in a meeting shall be done using a system that ensures that the votes and their scrutiny can be made in a single public event, in both cases, it must allow for the disclosure of each shareholders' vote. Whenever applicable Chilean law determines that a shareholder must submit his or her vote out loud, said obligation would be fulfilled if that vote is submitted using a simultaneous or secret voting system with the publicity requirements mentioned above. As a general rule, the SVS will be allowed to authorise listed corporations to establish remote voting systems as well as they safeguard rights of the shareholders and the regularity of the voting process.

Constitution of general shareholders' meetings

Attendance of the absolute majority of the shares issued and subscribed with voting rights legally constitutes the general shareholders' meetings on the first call, except when the Bylaws or law require larger majorities. If such quorum is not formed in the first call, then the shareholders who are present or represented in the meeting, notwithstanding their number, constitutes the general shareholders' meeting on the second call.

Voting rights

Subject to the Bylaws, resolutions will be adopted, on first and second call, with the affirmative vote of the absolute majority of the shares with voting rights present or represented by proxy, although with the exception of specific resolutions that pursuant to the Bylaws or the law require special majorities. This applies regardless of whether it is an ordinary or extraordinary general shareholders' meeting.

Pursuant to Article 67 of the Chilean Corporations Act, the following resolutions require a two-thirds vote of all the shares issued and subscribed shares eligible to vote: (i) transform the Company into another legal entity; (ii) modify the Company's term; (iii) dissolve the Company before its term; (iv) change the Company's business address; (v) decrease the Company's share capital; (vi) approve contributions and estimate of property other than money; (vii) the modification of the Board of Directors' attributions; (viii) decrease the number of directors; (ix) the sale of 50% or more of the Company's assets, regardless of whether it does or does not include the Company's liabilities, as well as the formulation or modification of any business plan that contemplates the sale of assets in an amount excess of the aforementioned percentage. For these purposes, all operations executed by means of one or more acts related to any corporate property shall be understood as a same sale operation during any period of 12 consecutive months; (x) distribution of the Company's benefits; (xi) the granting of real or personal guarantees to secure third party obligations in excess of 50% of the Company's assets, except with respect to subsidiaries, in which case the Board of Directors' approval shall be sufficient; (xii) the purchase of shares of its own issuance under the conditions established in the Chilean Corporations Act; (xiii) the elimination of the nullity caused by procedural error contained in the constitution of the Company or the amendment of its Bylaws, including one or several matters indicated in the foregoing numbers; (xiv) an amendment of the Bylaws aimed at the creation, extension, modification or suppression of preferences must be approved with the favourable vote of two thirds of the shares of the affected series; (xv) any

other matter established in the Bylaws; (xvi) establish the purchase right related to certain withdrawal rights according to the Chilean Corporations Act; and (xvii) approve or ratify the execution of acts or contracts with related parties in accordance with the Chilean Corporations Act.

Decisions made by shareholders

Decisions subject to the General Shareholders' Meeting's resolutions include, *inter alia*, the following:

- (i) **Remuneration to the Board of Directors:** It is the shareholders who decide the Directors' remuneration. Such decision shall be made annually, at the ordinary general shareholders' meeting.
- (ii) **External auditor:** It is the shareholders who designate an external audit firm governed by the provisions in the Chilean Corporations Act for the purpose of examining the accounts, inventory, balance sheet and other financial statements of the Company, with the obligation to report in writing to the following ordinary general shareholders' meeting about the compliance of its obligations. Such designation shall be made annually, at the ordinary general shareholders' meeting.
- (iii) **Amendments to the Bylaws:** Amendments, including remedying the nullity of amendments caused by formal errors, shall be adopted by the absolute majority of the shares issued with voting rights. Because all the shares have equal rights, including voting rights, this means that such resolutions will require the absolute majority of all issued and subscribed Shares. However, amendments to the Bylaws with the purpose of creating, amending or suppressing any Shares' preferences shall be approved with the affirmative vote of two-thirds of the shares of the affected series of outstanding shares.
- (iv) **Establishment of and compensation to the liquidation committee:** Dissolution and liquidation of the Company is subject to the Shareholders' decision, as further described in Section 16.11.6 below. If the Company is resolved dissolved and liquidated, the shareholders shall establish a liquidation committee and determine its compensation.

16.12.9 Distribution of dividends

Pursuant to the Bylaws, and in accordance with mandatory provisions set out in the Chilean Corporations Act, the Company is obliged to distribute dividend in a quota not inferior to 30% of the net profits of each fiscal year. The dividend shall be distributed in cash among the Company's shareholders, proportionate to their shareholding. The balance of the net profits not distributed as dividend shall form the reserves, subject to the General Shareholders' Meeting's decision at the ordinary general shareholders' meetings.

16.12.10 Dissolution and liquidation

Dissolution and liquidation of the Company is subject to the Shareholders resolution in an extraordinary general shareholders' meeting, or, as the case may be, as set forth by applicable law. The resolution to dissolve and liquidate the Company is subject to a supermajority vote, i.e. two thirds of the shares issued with voting rights. Upon dissolution of the Company, the Shareholders shall establish a liquidation committee. The liquidation committee is responsible for the liquidation process. Pursuant to the Bylaws and the Chilean Corporations Act, the liquidation committee shall be comprised of three members and the chairman shall be designated by the committee among its members. The chairman shall represent the corporation judicially and extra-judicially. If there is a single liquidator, he or she shall be vested with both representations. Another composition than the aforementioned (i.e. three members) may be effectuated if so is unanimously resolved by the Shareholders with voting rights or according to the provisions set out in the Chilean Corporations Act.

The members of the liquidation committee shall remain in their position during the time specified in the Bylaws, the General Shareholders' Meeting or the ordinary legal proceedings, as applicable. The term shall not exceed three years, and if it is not stipulated in the relevant documents, the term shall be of three years. If the liquidator is designated by ordinary legal proceedings, a substitute may be designated in the manner established by the Chilean Corporations Act when his or her period expires.

In the event of liquidation, shareholders are entitled to any eventual surplus, in pro rata basis of their shareholding ownership.

16.12.11 Shareholder suits**Arbitration**

Pursuant to mandatory Chilean Corporations Act, the Bylaws establishes the method by which the Company and its shareholders must resolve their differences. Differences arising among shareholders in their capacity as such, or between the latter and the Company or its administrators, whether during the duration of the Company, or during its liquidation process, irrespective of the nature, shall be submitted to the jurisdiction of an arbitrator mediator designed by common agreement of the parties, and, in the absence of such agreement by the ordinary courts of law, against the resolution of which there shall proceed no recourse. In the event that the arbitrator is designated by the ordinary courts of law, the election shall fall upon an attorney who performs, or has performed, as head professor of Civil, Commercial or Tax Law of the Schools of Law of either Universidad de Chile or the Pontifical Catholic University of Chile.

Class actions

There are no class actions provisions in Chilean law. If a group of shareholders wants to sue the Company, they must activate the arbitration process. Class actions are in Chilean law only regulated for consumer protection matters.

16.12.12 Amalgamations and mergers

The division of corporations is subject to the resolution by the shareholders in a special general shareholders' meeting, in which the following matters shall be approved: (i) the reduction in the corporate capital and the distribution of the corporation's assets between the corporation and the new corporation or corporations to be created; and (ii) the approval of the bylaws of the corporation or corporations to be created, which may be different from those of the corporation that is being divided, in all those matters indicated in the notice of that general meeting. The aforementioned approval incorporates by operation of law all those shareholders of the divided corporations into the new corporation or corporations created, and requires a two-thirds vote of all the shares issued with voting rights.

Pursuant to the Chilean Corporations Act, a merger consists of combining one or more corporations in a single one that succeeds them all of its rights and obligations, and to which the total capital and shareholders of the merged entities are incorporated. A merger by creation occurs when the assets and liabilities of two or more corporations that are dissolved are contributed into a new corporation. A merger by incorporation occurs when one or more corporations that dissolve are absorbed by an already existing corporation, which acquires all assets and liabilities of such corporation or corporations. In such events, the liquidation of the merged corporations shall not be applicable. The merger of corporations is also subject to approval by the shareholders in a special general shareholders' meeting. The Chilean Regulations of Corporations states that certain documentation has to be made available to the shareholders, including financial statements, terms and conditions of the merger, etc. Both the division and merger of a corporation are subject to a two-thirds vote of all the shares issued with voting rights.

After the approval of the audited balance sheets, the applicable reports from experts on the merged corporations and the bylaws of the created corporation or the corporation taking over (the acquirer) in the relevant general shareholders' meeting, the board of directors of the acquirer must directly distribute the new shares among the shareholders thereof, in the relevant proportion. No shareholder, unless he or she so consents, may lose his or her capacity as such because of an exchange of shares, merger, incorporation, transformation or division of a corporation.

16.12.13 Access to books and records and dissemination of information

Pursuant to the Chilean Corporations Act, corporations must provide, at the disposal of its shareholders at its main office and at its agencies or branch offices, updated copies of corporate bylaws signed by the manager, indicating the date and the notary's office where the corporate charter and the amendments were granted, if applicable, and the information related to their authentication. The corporation shall also maintain an updated list of shareholders, indicating the domicile and number of shares of each shareholder. Additionally, the annual report, balance sheet, inventory, minutes, books and reports of external auditors shall be at the disposal of the shareholders for their examination at the corporation's main office during the fifteen days' period prior to the date set of an ordinary or extraordinary general shareholders' meeting, as the case may be. Shareholders may examine such documents exclusively within this specific time period. During this time period, the shareholders shall have the right to examine equivalent information of the corporation's subsidiaries, in the manner, term and conditions indicated in the Chilean Regulation of Corporations. Notwithstanding the foregoing provisions, certain documents related to pending negotiations that, if made public, could damage the corporate interest. Such documents may be classified as confidential by three fourths of the acting directors. The directors who fraudulently or deceitfully concur with their favourable vote to the declaration of confidential information shall jointly be liable for the damage they may cause.

Finally, and in case of publicly held corporations, the annual report, the report of external auditors and the financial statements must be uploaded to the corporation's website.

Further, the summon to general shareholders' meetings, irrespective of being an ordinary or extraordinary meeting, must be sent by mail to each shareholder at least fifteen days before the date of the relevant meeting. The summon shall specify the matters to be dealt with at the meeting, as well as an indication of the manner in which copies of the documents that justify the diverse alternatives to be voted on may be obtained. Said documents shall also be made available to shareholders on the corporation's website.

16.12.14 Shareholders' obligations under Chilean law

Pursuant to Chilean law, shareholders of a corporation have various obligations, such as in relation to business groups, joint action agreements, disclosure of related parties, etc., as further set out below. All such obligations also apply to beneficial owners of a Chilean corporation's shares, who have the same rights and obligations that Chilean law and regulation grant to direct shareholders. The Shareholders must nonetheless exercise such rights and obligations through the VPS Registrar.

Acquisition of shares and takeover rules

Pursuant to the Chilean Capital Markets Act, individuals who directly or indirectly hold 10% or more of the subscribed share capital of a publicly held corporation, or who, as a result of an acquisition of shares have obtained such percentage, as well as the directors, liquidators, executives and managers of such corporations regardless of how many shares they own, directly or indirectly, shall inform the Superintendency (SVS) and each of the stock exchanges of the countries in which the public corporation trades its securities, of any acquisition or disposal of shares in that public corporation. The same obligation shall apply with respect to any acquisition or disposal made of contracts or securities whose price or result depend or is conditioned, either in whole or in part, on the variation or evolution of the price of said public corporation's shares. The communication shall be sent using technological means approved by the SVS no later than the next day once the operation has been materialised.

Furthermore, majority shareholders shall inform, as mentioned above, whether the acquisitions they have made are made with the intention of acquiring a controlling interest in the relevant public corporation, or, if applicable, whether such acquisition only was made as a financial investment. The SVS shall determine how this information shall be submitted.²⁴

Pursuant to the Chilean Capital Markets Act, individuals who directly or indirectly intend to take over control of a publicly held corporation, regardless of the manner of acquisition of the shares, including those to be performed by direct subscriptions or private transactions, shall first inform the public market of such intentions. Written communication shall be sent to the following entities:

- (i) The corporation that such individual intends to take over control of;
- (ii) The companies who are controlling the relevant corporation (i.e. the companies whose control is sought obtained) and to those who are controlled by the targeted corporation; and
- (iii) The SVS and the stock exchanges where the target corporation trades its securities. For the same purposes, if they have the means available, a notice shall be published in two newspapers of national circulation and on the website of the entities seeking to obtain control.

The requirements mentioned in (i) to (iii) above must be submitted at least ten working days before the date on which the acts to obtain control of the targeted public corporation are performed and, in any case, as soon as negotiations made to obtain control have been formalised or as soon as confidential information/documentation of said corporation has been delivered. The content of the above mentioned communication shall be determined by the SVS through instructions of general application and shall contain at least the price and the essential conditions of the negotiation.²⁵

²⁴ SVS General Rule 104 establishes that the information required by this article shall be provided via "SEIL" (i.e. an electronic information delivery system) through the regulator's website (www.svs.cl).

²⁵ SVS General Rule 269 establishes the detail of the information to be provided according to this article, which shall contain, among others, the informant's name, the name of the corporation whose control is sought, the price of the operation, number of shares involved and the percentage they represent in the target company's share capital, the total percentage of the company's share capital

Violation of these provisions will not invalidate the transaction but will grant the shareholders of the interested parties the right to claim compensation for damages caused, in addition to applicable administrative sanctions. Likewise, operations that allow obtaining control that do not comply with the abovementioned rules may be considered as an irregular operation for the purposes of Article 29 of Decree Law No. 3,538 of 1980, which allows the SVS to impose a fine within the limits set forth in such Decree Law or up to 30% of the value of the issuing or the irregular operation.

Other important shareholders' obligations include that shareholders are obliged to bear the corporation's losses and to exercise their rights within the corporation without interfering with the rights of the corporation and other shareholders.

Business groups

A business group is composed by the entities who have links in their ownership, administration or credit responsibility which presume that the economic and financial performance of their members are guided by the common interests of the group or subordinated to them, or entities where there exist common financial risks in the credits granted to them or in the acquisition of their outstanding securities.

The following entities shall be considered as members of the same business group:

- (i) A corporation and its controlling shareholder;
- (ii) All corporations with a common controlling shareholder;
- (iii) Any entity determined by the SVS, considering the concurrence of one or more of the following circumstances;
 - a) A significant percentage of the corporation's assets is comprised within the business group either in the form of securities investment, equity rights in companies, credits or collateral;
 - b) The corporation has a significant level of indebtedness and the business group has significant participation as creditor or guarantor in said debt;
 - c) The corporation is a member of the controlling shareholder of any of the entities mentioned in a) or b) above, when this controlling shareholder corresponds to a group of individuals and there are reasons based on the provisions in the paragraph above (under the headline "Business groups") to include it in the business group; and
 - d) The corporation is controlled by one or more members of the controlling shareholder of the entities in the business group, if said controller is composed of more than one person and there are reasons based on the provisions of the first paragraph above to include it in the business group.

Controlling shareholders

The controlling shareholder of a corporation is an individual or group of individuals with a joint action agreement that directly or through other natural or legal persons participates in its property and has the power to perform any of the following actions:

- (i) Secure the majority of the votes in the shareholders' meetings and elect the majority of the directors; or
- (ii) Have determinant influence in the administration of the corporation.

When a group of individuals has a joint action agreement to exercise any of the powers indicated in a) and b) above, each one of them will be regarded as a denominated member of the controlling shareholder.

that the informant would have once the operations has been executed and the newspapers in which the informant published the operation.

Joint action agreements

A joint action agreement is an agreement between two or more persons who simultaneously participate in the ownership of a corporation, and by such agreement commit to participate in sharing the same interests in the management of the corporation or to obtain control of it. Such aforementioned participation in a corporation may be directly or through other controlled natural or legal persons.

The existence of such a joint action agreement shall be presumed between the following persons:

- attorney-in-fact and represented;
- an individual and his/her spouse (wife or husband) or his/her relatives up to the second degree of consanguinity or affinity;
- entities of the same business group; and
- a corporation and its controlling shareholder, or each member of the latter.

The SVS may decide whether there is a joint action agreement among two or more persons, considering, among other circumstances, (i) the number of companies whose ownership they participate in simultaneously, (ii) the frequency of coincident voting in the election of directors, (iii) appointment of administrators and (iv) agreements of extraordinary shareholders' meetings.

If, among the shareholders of a corporation, there are foreign legal persons whose ownership structure is unclear, it shall be presumed that a joint action agreement is formed with the other partner or shareholder (or group of those with a joint action agreement) that has the bigger ownership percentage of the corporation.

Determinant influence

Pursuant to the Chilean Capital Markets Act, it shall be presumed that a person or group of persons who have entered into a joint action agreement have determinant influence in the administration of a corporation if they directly or indirectly control at least 25% of the corporation's share capital eligible to vote, with the following exceptions:

- The existence of another individual or group of individuals with a joint action agreement who controls, directly or through other natural or legal persons, an equal or higher percentage;
- The respective person or group of persons with a joint action agreement do not control, directly or indirectly, more than 40% of the corporation's share capital eligible to vote and that simultaneously the controlling percentage is less than the aggregate of the percentage participation of the other shareholders with more than 5% of said share capital. In order to determine the percentage in which the latter shareholders participate, the percentage they own by themselves and the percentage of the other shareholders with whom they act in virtue of a joint action agreement should be taken into consideration; and
- When so is determined by the SVS, based on the distribution and dispersion of the corporation's share capital.

Related parties

Pursuant to Article 100, the following shall be considered as related parties of a corporation:

- (i) The entities of the business group to which the corporation belongs;
- (ii) The parent, subsidiary and associate of a corporation in accordance with the definitions from the Chilean Corporations Act;²⁶

²⁶ (i) A subsidiary is an entity in which a parent corporation controls (directly or indirectly) more than 50% of the share capital eligible to vote or may appoint the majority of its directors; (ii) an associate is an entity in which another corporation controls (directly or indirectly) at least 10% of the share capital eligible to vote or may appoint at least one of its directors.

- (iii) The directors, managers or liquidators of the corporation and their spouses or their relatives up to the second degree of consanguinity, as well as any entity controlled directly or indirectly by any of them; and
- (iv) Any individual that, by himself/herself or with others with whom he/she acts in virtue of a joint action agreement, has the power to appoint at least one member of the corporation's management or controls 10% or more of the corporation's share capital eligible to vote.

The SVS may qualify, as a related party of a corporation, any individual or entity that in light of patrimonial, administrative, familiar, responsibility or subordination relations it is likely to presume either that:

- (i) by itself or with others with whom he/she has a joint action agreement has sufficient voting power to influence the management's decision-making in the corporation;
- (ii) Its businesses with the corporation causes conflicts of interests;
- (iii) its management is influenced by the corporation (if it is a legal person); or
- (iv) by its position is empowered to have information on the corporation and its businesses that has not been publicly disclosed to the market and that is able to influence the price of the corporation's securities.

An individual shall not be considered as related to the corporation by the mere fact of participation in up to 5% of the share capital or 5% of the corporation's share capital eligible to vote, or by the mere fact of being a corporation's no-manager employee.

Furthermore, entities supervised by the SVS shall provide the SVS and the public with any information about operations with their related parties. The SVS shall determine the manner, content and periodicity of such information.

Pursuant to and for the purposes of the relevant section of the Chilean Capital Markets Act, the SVS shall provide necessary instructions and have broad powers to request information to determine the relations indicated in the previous articles of the Chilean Capital Markets Act and to establish whether an entity belongs to a business group. Furthermore, it may also request more information from all those entities whose information is material to determine the financial situation of companies under its supervision. An entity belonging to the same business group of a corporation supervised by the SVS and who performs significant commercial operations with said business group must inform to said corporation that both have a common controlling shareholder. Likewise, for the sole purpose of complying with the provisions of Article 101 of the Chilean Capital Markets Act and Article 89 of the Chilean Corporations Act, entities supervised by the SVS may require that their shareholders identify whether they are related parties and what kind of relation they have. If such is required, they will be obliged to provide this information.

16.13 Shareholders' agreement

There is no shareholders' agreement related to the Company's shares.

17 SECURITIES TRADING

Set out below is a summary of certain aspects of securities trading in Norway and Chile. The summary is based on the rules and regulations in force in Norway and Chile as at the date of this Prospectus, which may be subject to changes occurring after such date. The summary does not purport to be a comprehensive description of securities trading in Norway and Chile. Shareholders who wish to clarify the aspects of securities trading in Norway and Chile should consult with and rely upon their own advisors.

17.1 Introduction

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. As of 31 December 2016, the total capitalisation of companies listed on the Oslo Stock Exchange amounted to approximately NOK 2,121 billion. Shareholdings of non-Norwegian investors as a percentage of total market capitalisation as at 31 December 2016 amounted to approximately 36.6%.

The Oslo Stock Exchange has entered into a strategic cooperation with the London Stock Exchange group with regards to, *inter alia*, trading systems for equities, fixed income and derivatives.

17.2 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET) and 16:20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post-trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two days after the transaction, and that the seller will receive payment after two days.

Oslo Clearing ASA, a wholly-owned subsidiary of SIX x-clear AG, a company in the SIX group, has a license from the Norwegian FSA to act as a central clearing service, and has from 18 June 2010 offered clearing and counterparty services for equity trading on the Oslo Stock Exchange.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange, except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

17.3 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company. Inside information means precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market. A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

17.4 The VPS and transfer of Shares

The shareholder register of the Company is maintained at the registered office of the Company in Chile and the share certificates are held in custody by the Chilean Custodian in Santiago, Chile pursuant to the provisions of the Chilean Corporations Act. The Shares will be registered in the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, shares traded on the Oslo Stock Exchange must be recorded. The VPS and the Oslo Stock Exchange are both wholly-owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered owner irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

The entry of a transaction in the VPS is *prima facie* evidence under Norwegian law in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's bylaws or otherwise.

Shareholders who hold shares in the Company's shareholder register in Chile and wish to receive and register a corresponding Share in the VPS must instruct and authorise the VPS Registrar to receive such Shares and instruct the VPS Registrar to have the shares transferred to the Chilean Custodian. Upon the VPS Registrar's receipt of confirmation from the Chilean Custodian that the shares have been received, the Shares will be issued by the VPS Registrar and delivered to the VPS Account of the Shareholder. Shareholders who wish to transfer their Shares from the VPS register to the Company's shareholder register, must advise the VPS Registrar to deliver and transfer the Shares to an intermediary VPS account of the VPS Registrar and they will then receive shares from the Chilean Custodian upon the VPS Registrar's receipt of instructions on delivery.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

17.5 Shareholder register and share certificates

The principal shareholder register of the Company is maintained at the registered office of the Company in Chile and the share certificates are held in custody by the Chilean Custodian in Santiago, Chile, pursuant to the provisions of the Chilean Corporations Act. The Company's shareholder register is administrated by the SERCOR (*Servicios Corporativos Sercor S.A.*), Avenida El Golf 150, Piso 1, Las Condes, Santiago, Chile. The Shares will be registered in the name of the Shareholder in the VPS. Shareholders may register their Shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the Company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners.

17.6 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

17.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the Issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

17.8 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

17.9 Mandatory offer requirement

According to the Norwegian Securities Trading Act, Norwegian mandatory offer requirements do not apply to companies whose shares are listed on a regulated market in the state where the company has its registered office.

Under Chilean law, mandatory offer requirements are governed by Chilean rules concerning tender offers which is the offer submitted by a shareholder or third party to the shareholders of a public corporation in order to acquire certain number of shares in the corporation, at a certain price and during a specific term, generally conditioning the success of the offer to obtaining a certain shareholding percentage in order to take over or reinforce control at such company.

The following direct or indirect stock purchases of one or more series, issued by a public company, must necessarily be submitted to the mandatory offer procedure: (i) those allowing someone to take the control of a corporation; (ii) the offer that the controlling shareholder must tender when it reaches or exceeds two-thirds of the issued and subscribed shares eligible to vote of a corporation or of the respective series; (iii) when someone intends to take control of the parent company (and controlling shareholder) of a public corporation, and that such public corporation represents 75% or more of the value of its consolidated assets, it should previously make an offer to the shareholders of the latter corporation in accordance with the rules of the takeover bids, for an amount not lower than the percentage that makes it possible to obtain such control; (iv) when the shareholder that took control of a corporation intends to acquire 3% or more of the shares in the corporation within 12 months following the change of control; and (v) those acquisitions of a series of shares that has pre-eminence in the control of the corporation that trigger the obligation to make a joint tender offer for an equivalent percentage for the remaining classes of shares.

A shareholder is exempted from the obligation to submit a tender offer if: (i) acquisitions related to a capital increase through the issuance of new cash shares, which because of their number, would allow the shareholder to obtain control of the corporation; (ii) the acquisition of the shares sold by the corporation's controlling shareholder, provided that these shares have market presence²⁷ and the purchase price is payable in cash and is not substantially higher than the market price; (iii) acquisitions made as consequence of a merger; (iv) acquisitions that take place by reason of death; (v) acquisitions that arise from foreclosure proceedings; and (vi) acquisitions that arise from preferential rights for the purchase or sale of shares contained in registered shareholders' agreements prior to 20 December 2000.

In addition, specific change of control provisions state that any person that intends to take control of a corporation that trades its shares in a stock exchange must inform the market about such intention prior the effective date of such change of control. This information must be sent to the target corporation, the companies that control the target company and those which are controlled by the target corporation, the SVS and the stock exchanges where the shares

²⁷ The SVS determined, under generally applicable rule No. 327, the conditions that shares must meet to be considered as having market presence.

of the target corporation are traded. Additionally, a prominent notice should be published in two nationally circulated newspapers and in the website of the entities which pretend to take the control of the target company, if applicable.

The information must be made publicly available at least 10 business days prior to the date of the change of control is intended to be executed and, in any event, as soon as negotiations have commenced. However, if the reporting requirements abovementioned are breached, the operation is not invalidated but it entitles the shareholders or interested third parties to sue for damages, in addition to the applicable administrative penalties.

17.10 Compulsory acquisition

According to Chilean Law, compulsory acquisitions may be materialized in public, social or national interest. The compensation amount shall be fixed by agreement of the affected party and the authority, or by the competent court if it is the case. The affected party and the authority may agree in the compensation amount, its payment method, including compensation in kind, and this agreement shall prevail over any other procedure intended to determine final compensation amount. Such an agreement shall be executed before the term established in the Decree Law N°2186 of 1978 to file any claim in this regard or before the dispute of any judgement if such claims have been filed. If there is no agreement between the parties the court shall determine the compensations amount to be paid. In this case, the affected party and the authority may dispute in court the determined compensation in accordance with the procedure established in the above-mentioned decree law.

17.11 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

There are no foreign exchange control restrictions under Chilean law that would potentially restrict the payment of dividends to a foreign shareholder. Wire transfers from Chile to foreign countries shall be made following the reporting obligations set forth by the Chilean exchange control's authority (Banco Central de Chile).

18 TAXATION

Set out below is a summary of certain Chilean and Norwegian tax matters related to an investment in the Company. The summary regarding Chilean and Norwegian taxation are based on the laws in force in Chile and Norway, respectively, as of the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Shares. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Chile and Norway and shareholders who cease to be resident in Chile or Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Chile or Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

18.1 Chilean taxation

18.1.1 Taxation of dividends

Chile has a two-level integrated tax system according to which, as a general rule, the tax paid at the corporate level should generally be used as a credit against final taxes (i.e. additional withholding tax in the case of non-Chilean residents), with some limitations depending on the applicable regime of taxation.

The Company is subject to the so called Partially-Integrated regime of taxation ("**PIS**"). Under the PIS regime, the Company will be subject to Chilean corporate level tax ("**CIT**") at a 27% rate. Shareholders will be taxed on actual distributions (i.e. on a cash basis).

Dividends distributed to Shareholders who are not resident in Chile for tax purposes ("**Non-Chilean Shareholders**") are subject to Chilean additional withholding tax at a flat rate of 35%. As a general rule, only 65% of the corporate-level CIT paid should be creditable against the 35% additional tax, resulting in an effective non-resident withholding tax rate of 17.45% on distributed profits (35% - 17.55%). Thus, the overall income tax burden for the Company and the Shareholder on distributed profits should be 44.45%.

However, for Shareholders resident in tax treaty jurisdictions (e.g., Norway) and who are beneficiaries under the tax treaty with respect to profit distributions, the underlying CIT paid, i.e. 27%, should be fully creditable against the 35% additional tax (i.e., not limited to 65%), thus that the overall income tax burden for the Company and the Shareholder on distributed profits should be capped to 35%, implying as a general rule an effective withholding tax rate for Non-Chilean Shareholders at a rate of 8% (35% - 27%). For Chilean tax purposes, tax residency should be proved through the corresponding tax residency certificate issued by the respective Norwegian authorities. The fact that a Norwegian resident is a beneficiary of profits distribution under the Chile-Norway tax treaty should be also proved for the 100% corporate level tax credit to be applied.

The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Chilean Shareholders are required to file an annual Chilean tax return where the Chilean IRS will determine whether the amount withheld by the Company was sufficient or not to cover the Non-Chilean Shareholders tax liability. Any difference should be paid or be reimbursed upon request to the Chilean IRS.

18.1.2 Capital gains tax

General

Sale, redemption or other disposal of shares is considered a realisation for Chilean tax purposes. Capital gains derived from the transfer of shares in the Company will be subject to 35% non-resident withholding tax rate in case of Non-Chilean shareholders.

Chilean tax law imposes on the buyer a withholding liability for the payment of the tax. Withholding rates at which the buyer should make the withholding varies depending on whether the net gain can be determined to the satisfaction of the buyer, as follows:

- 10% withholding rate over the gross payment in case the net gain cannot be determined to the satisfaction of the buyer.
- Net gain is represented by the difference between the fair market value of the shares and the tax basis the transferor has in the shares being transferred, determined following Chilean tax basis rules (i.e., acquisition cost, plus/minus capital increases/reductions, adjusted by inflation).
- 35% withholding rate over the net gain to the extent the net gain determination is proved to buyer's satisfaction.

Actively traded shares – capital gains exemption

Chilean Income Tax law provides for a capital gain exemption applicable to actively traded shares performed in a Chilean stock exchange (Article 107 Chilean ITR). For the exemption to apply, specific requirements should be met both at the acquisition and as of the transfer of the shares. Broadly speaking requirements would be as follows:

- Shares should be acquired (acquisition requirements): (i) in a Chilean stock exchange authorized by the SVS; (ii) in a Public Offering process governed by Title XXV of Chilean Securities Law; (iii) as placement of newly issued shares derived from the incorporation of an entity or from a capital increase; (iv) due to an exchange of publicly traded securities convertible in shares; or (v) as a redemption of Chilean mutual funds regulated under Article 109 of Chilean Income Tax law.
- Shares should be transferred (selling requirements): (i) in a Chilean stock exchange authorized by the SVS; (ii) in a Public Offering process governed by Title XXV of the Chilean Securities Law; or (iii) as a contribution of securities regulated under Article 109 of Chilean Income Tax law.
- "Actively traded" shares. As of the time of the sale, shares are deemed as "actively traded" based on specific trading minimum thresholds: (i) Registered in a Securities Registry; (ii) Registered in a Chilean stock exchange; (iii) At least one of the following requirements are met: a) "Adjusted presence" equal to or greater to 25% (180 days look back period, among other requirements are met); b) Have a "Market Maker" in compliance with the Chilean SVS guidelines.

Certificate representative of Chilean shares

Tax treatment of certificates representative of Chilean shares is not expressly regulated in Chilean tax law.

Notwithstanding, the Chilean IRS through its administrative opinions has provided guidelines on the tax treatment of the so called "American Depositary Receipt" (ADRs). In addition, the Chilean IRS has applied the same criterion and tax treatment to other type of certificates representative of Chilean shares, to the extent those other certificates have the same legal nature and the rules for registration, issuance, custody and placement under its respective domestic law, are the same as the ones under which ADRs are issued and traded. As well, the Chilean IRS has required for those other certificates to have the same reporting obligations as ADRs have before the Chilean Central Bank and the Chilean Stocks and Insurance Superintendence (Chilean SVS).

Based on the above, to the extent Norwegian depository receipts comply with the above mentioned requirements and circumstances, there are grounds to sustain that the Chilean IRS could apply the same criterions set forth for ADRs, as follows:

- The transfer of certificates should not be subject to tax in Chile to the extent that both the transferor and the depository bank are non-domiciled in Chile, as the gain is deemed as non-Chilean sourced, thus not subject to tax in hands of non-resident transferors.
- The exchange of the certificates for Chilean shares (flow-back) is not deemed as alienation for Chilean tax purposes.
- When the certificate is exchanged for Chilean shares (flow-back), and those shares are actually transferred, a potential gain subject to Chilean tax could arise. If that is the case, the gain should be subject to tax under the general capital gain rule (i.e., 35% WHT) or, as stated by the Chilean IRS, the gain could be eligible to the actively traded exemption, to the extent that Chilean shares complies with the respective acquisition and selling requirements set forth above.

As a general rule, transferors who are non-resident in Chile are required to file an annual Chilean tax return where the Chilean IRS will determine whether the amount withheld by the buyer was sufficient or not to cover the Non-Chilean transferor's tax liability. Any difference between the amount withheld and the final taxable gain should be paid to or be reimbursed by the Chilean IRS. Exception to the annual tax filing is available where the transferor treats the gain as "sporadic income" and performs the filing accordingly at the 35% non-resident withholding tax, within the 12 first days of the following month in which the transaction took place.

18.1.3 Net wealth tax

Net wealth tax is currently not imposed in Chile.

18.1.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Chile on the transfer or issuance of shares.

18.1.5 Inheritance tax

Chilean shares are deemed located in Chile and accordingly treated as Chilean source income. In the succession of a non-resident individual, the heirs are subject to Inheritance Tax in Chile with respect to assets located or deemed to be located in Chile. Therefore, the heirs should be subject to inheritance tax in Chile, with respect to Chilean shares. The taxable base should correspond to the shares' FMV as of the date of death of the deceased. Inheritance Tax is a progressive tax with rates ranging from 1% to 25%, depending on the value of the hereditary assignment.

To the extent Norwegian depositary receipts comply with the requirements outlined above, see Section 18.2.1 "Certificate representative of Chilean shares", the transfer of Norwegian depositary receipts through inheritance should not be subject to Chilean inheritance tax.

18.2 Norwegian taxation

18.2.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders at an effective tax rate of currently 30.59% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.33 which are then included as ordinary income taxable at a flat rate of 23%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 30.59%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate based on the effective rate of interest on treasury bills (*Nw.: statskasserveksler*) with three months' maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realisation of, the same share. Any excess allowance will also be included in the basis for calculating the allowance on the same share in the following years.

If certain requirements are met, Norwegian Personal Shareholders are entitled to a tax credit in the Norwegian tax for withholding tax imposed on the dividends distributed in the jurisdiction where the Company is resident for tax purposes. However, any tax exceeding the withholding tax rate according to an applicable tax treaty with the country in which the Company is resident will not be deductible.

Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are taxable as ordinary income in Norway for such shareholders at a flat rate of currently 23%.

If certain requirements are met, Norwegian Corporate Shareholders are entitled to a tax credit in the Norwegian tax for withholding tax imposed on the dividends distributed in the jurisdiction where the Company is resident for tax

purposes. However, any tax exceeding the withholding tax rate according to an applicable tax treaty with the country in which the Company is resident will not be deductible.

Provided that the Company is not considered resident in a low tax jurisdiction for Norwegian tax purposes, a tax exemption in Norway may be available for Norwegian Corporate Shareholders holding at least 10 per cent of the capital and has at least 10 per cent of the votes that can be given at the general meeting of the Company for a consecutive period of two years.

Non-Norwegian Shareholders

As a general rule, dividends received by non-Norwegian tax resident shareholders ("**Non-Norwegian Shareholders**") from shares in non-Norwegian tax resident companies are not subject to Norwegian taxation unless the Non-Norwegian Shareholder holds the shares in connection with the conduct of a trade or business in Norway.

18.2.2 Taxation of capital gains on realisation of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realised by Norwegian Personal Shareholders is currently 30.59%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.33 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 23%, increasing the effective tax rate on gains/losses realised by Norwegian Personal Shareholders to 30.59%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to "Taxation of dividends — Norwegian Personal Shareholders" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

The Shares will not qualify for Norwegian share saving accounts (*Nw: aksjesparekonto*) held by Norwegian Personal Shareholders since the Company is resident outside the European Economic Area for tax purposes.

Norwegian Corporate Shareholders

A capital gain or loss derived by a Norwegian Corporate Shareholder from a disposal of shares in the Company is taxable or tax deductible in Norway. The taxable gain/deductible loss per share is calculated as the difference between the consideration for the share and the Norwegian Corporate Shareholder's cost price of the Share, including costs incurred in relation to the acquisition or disposal of the share. Such capital gain or loss is included in or deducted from the basis for computation of ordinary income in the year of disposal. Ordinary income is taxable at a rate of currently 23%.

Provided that the Company is not considered resident in a low tax jurisdiction for Norwegian tax purposes, a tax exemption in Norway may be available for Norwegian Corporate Shareholders holding at least 10 per cent of the capital and has at least 10 per cent of the votes that can be given at the general meeting of the Company for a consecutive period of two years prior to the realisation of such shares.

If the Norwegian Corporate Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Non-Norwegian Shareholders

A capital gain or loss derived from the sale or other disposal of shares by a Non-Norwegian Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Shareholder holds the shares in connection with business activities carried out or managed from Norway.

18.2.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is currently equal to eighty percent of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the listed shares is reduced correspondingly (i.e. to eighty percent) for assessment purposes.

Norwegian Corporate Shareholders are not subject to net wealth tax.

Non-Norwegian Shareholders are not subject to Norwegian net wealth tax. Non-Norwegian Shareholders who are individuals can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

18.2.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

18.2.5 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

19 THE TERMS OF THE OFFERING

19.1.1 General

The Offering consists of (i) an offer of New Shares to raise a gross amount of approximately USD 45 - 57 million (approximately NOK 354 - 441 million) by subscription of up to 9,181,992 New Shares, each without a par value and (ii) an offer of up to 12,598,008 Sale Shares, all of which are existing, validly issued and fully paid-up Shares, each without a par value, offered by the Selling Shareholder, as further specified in Section 13 "The Selling Shareholder". Assuming that all the Sale Shares and New Shares are sold in the Offering, the Offering will amount to up to 21,780,000 Offer Shares.

The Offering consists of:

- An Institutional Offering, in which Offer Shares are being offered to (a) institutional and professional investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from any prospectus and registration requirements, and (c) investors in the United States who are QIBs in transactions exempt from registration requirements under the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000.
- A Retail Offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit.

All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in reliance on Regulation S.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important Information" and Section 20 "Selling and Transfer Restrictions".

The Bookbuilding Period for the Institutional Offering is expected to take place from 24 January 2018 at 09:00 hours (CET) to 1 February 2018 at 11:00 hours (CET). The Application Period for the Retail Offering is expected to take place from 24 January 2018 at 09:00 hours (CET) to 1 February 2018 at 10:30 hours (CET). The Company, in consultation with the Managers, reserves the right to shorten or extend the Bookbuilding Period and the Application Period at any time. Any shortening of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 hours (CET) on the prevailing expiration date of the Bookbuilding Period and/or the Application Period, provided, however, that in no event will the Bookbuilding Period and/or the Application Period expire prior to 09:00 hours (CET) on 31 January 2018. Any extension of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 hours (CET) on the first business day following the then prevailing expiration date of the Bookbuilding Period and/or the Application Period. An extension of the Bookbuilding Period and/or the Application Period can be made one or several times provided, however, that in no event will the Bookbuilding Period and/or the Application Period be extended beyond 14:00 hours (CET) on 28 February 2018. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

The Company has, together with the Managers, set an Indicative Price Range for the Offering from NOK 38.5 to NOK 48.0 per Offer Share. Assuming that the Offer Price is set at the mid-point of this range and that 9,181,992 New Shares and all the Sale Shares are sold in the Offering, the aggregate gross amount of the Offering will be approximately USD 121 million (approximately NOK 942 million). The Company, in consultation with the Managers, will determine the number of Offer Shares and the Offer Price on the basis of the bookbuilding process in the Institutional Offering and the applications received in the Retail Offering. The bookbuilding process, which will form the basis for the final determination of the number of Offer Shares and the Offer Price, will be conducted only in connection with the Institutional Offering. The Indicative Price Range may be amended during the Bookbuilding Period. Further, based on the demand for Offer Shares in the bookbuilding process, the number of Sale Shares sold by the Selling Shareholder may, subject to agreement between the Selling Shareholder and the Managers, be set above or below the maximum number set out in this Prospectus. Any amendments to the Indicative Price Range or in the

number of Sale Shares being sold in the Offering will be announced through the Oslo Stock Exchange's Information system.

The New Shares delivered in the Offering will be allocated on basis of the share capital increase resolved by the general meeting of the Company on 6 November 2017. The Offer Shares allocated in the Offering are expected to be traded on the Oslo Stock Exchange from and including 2 February 2018. Completion of the Offering is conditional upon, among other conditions, the Company satisfying the listing conditions and being approved for listing on the Oslo Stock Exchange, see Section 19.11 "Conditions for completion of the Offering – Listing and trading of the Offer Shares".

In the general shareholders' meeting held on 6 November 2017 the following resolutions were adopted; (a) decrease the period set for the renewal of the Board of Directors from 3 to 2 years; (b) empower the Company's controller to demand that all shareholders who do not choose to exercise the retirement right that assists them under article 71 bis of Law 18,046 sell their shares to the Company's controller; (c) Increase the number of shares in which the Company's capital is divided, from 546,327 shares to 56,818,008 shares; (d) Increase the Company's capital of USD 73,422,406.08 divided into 56,818,008 shares, to USD 91,786,390.08 divided into 66,000,000 shares; and (e) adopt the necessary agreements to materialize the amendments to the bylaws and decisions adopted in said meeting.

The Company and the Selling Shareholder have made and will make certain representations and warranties in favour of, and has agreed to certain undertakings with the Managers in the mandate agreement and ancillary agreements and documents entered into in and to be entered into in connection with the Offering and Listing. Further, the Company and the Selling Shareholder will undertake lock-up undertakings in connection with the Offering. For more information on these restrictions, see Section 19.14 "Lock-up".

See Section 19.13 "Expenses of the Offering and the Listing" for information regarding fees expected to be paid to the Managers and costs expected to be paid by the Company in connection with the Offering.

19.1.2 Public offer to be carried out in Chile (order book auction)

In connection with the IPO, the Company will offer common shares in Chile through an order book auction on the Santiago Stock Exchange in a process known as subasta de un libro de órdenes (the "Subasta"), in compliance with Chilean law and the rules of the Santiago Stock Exchange. The number of shares in such offering, will be within the total aggregate of up to 9,181,992 new shares and up to 12,598,008 in the Offering. All orders of shares placed by prospective investors, including by the Managers outside of Chile, must be placed through an authorised Chilean broker as further described below. Investors allocated shares in the Subasta, including investors outside of Chile, will be eligible to switch such shares to Shares subject to the terms and conditions set out in this prospectus, see Sections 16.5 "Description of the Shares" and 17.4 "The VPS and transfer of Shares".

Sales of large blocks of shares in the Santiago Stock Exchange are normally conducted in one block through a Subasta. This auction procedure sorts purchase orders by price in descending order and awards the offered shares, at a single price, to the cumulative demand that satisfies the conditions set forth in advance by the Company. The terms and conditions of the Subasta are set forth by the Company. LarrainVial will serve as the stock broker in connection with the Subasta. The terms and conditions may include a minimum price and the creation of specific demand segments based on objective criteria (e.g. type of investors and order size). All the purchase orders entered into the system are compiled by the Santiago Stock Exchange in a single cumulative order book, which will be delivered to LarrainVial. Based on such order book, LarrainVial will, in consultation with the Managers, determine whether the Subasta was successful. The Subasta must be declared successful if the competitive demand (i.e., orders with a price equal to or above the minimum price (if there is one)) plus the demand at market exceeds the number of shares offered in the Subasta and complies with the conditions established for each of the segments. The order book will remain open for purchase orders for the time previously defined by the Company, which in no case may be less than two exchange business days. During this period, purchase orders may be amended or redeemed. LarrainVial will require certain safeguards for purchase orders from non-institutional investors, such as securities in rem for an amount that can vary between 10% and 50% of other purchase order (depending on the amount of the order), cash, or otherwise as prescribed by the Santiago Stock Exchange. In the case of institutional investors, LarrainVial will only verify that the operation is conducted within the limits applicable to such institutional investor.

If the Subasta is declared successful and includes different demand segments, the offer price cannot be set below 90% of the price at which cumulative competitive demand (i.e. all orders with a price, regardless of demand segment, sorted in descending order) is equal to the total shares offered. With the overall demand information received from the Santiago Stock Exchange, the Managers will make a price and allocation recommendation to the Company. Once the

Company makes its determination with respect to price and allocation, the stock broker will inform the Santiago Stock Exchange of the offering price and the allocation of the Subasta among the demand segments. In the case that the offer does not include different demand segments, LarrainVial will inform the Santiago Stock Exchange of the offering price.

The Subasta is allocated within the respective demand segments or segment among those orders that have a price equal or above the offer price and orders at market. On the day following the allocation, prior the opening of the stock market in Chile, the Santiago Stock Exchange will formally award the offered shares through a special auction and will communicate, through its systems, the final allocation of shares to all participating brokers.

The Company expects that delivery of the shares will be made against payment on the second business day following the allocation of the shares to investors in accordance with the instructions set out by the Company. Settlement will be made in book entry form and payment for the shares must be made in CLP. Subject to a successful Offering, the Company's common shares will commence trading on the Santiago Stock Exchange on or about 2 February 2018.

19.2 Timetable

The timetable set out below provides certain indicative key dates for the Offering (subject to shortening or extensions):

Bookbuilding Period commences	24 January 2018 at 09:00 hours (CET)
Bookbuilding Period ends	1 February 2018 at 11:00 hours (CET)
Application Period commences	24 January 2018 at 09:00 hours (CET)
Application Period ends	1 February 2018 at 10:30 hours (CET)
Publication of the results of the Offering	On or about 1 February 2018
Allocation of the Offer Shares	On or about 2 February 2018
Distribution of allocation notes/contract notes	On or about 2 February 2018
Accounts from which payment will be debited in the Retail Offering to be sufficiently funded	On or about 2 February 2018
First day of trading in the Shares	On or about 2 February 2018
Payment date in the Retail Offering	On or about 5 February 2018
Payment date and delivery of Offer Shares in the Institutional Offering	On or about 6 February 2018
Delivery of the Offer Shares in the Retail Offering	On or about 6 February 2018

Note that the Company, together with the Managers, reserve the right to shorten or extend the Bookbuilding Period and/or the Application Period. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange will not necessarily be changed.

19.3 The Institutional Offering

19.3.1 Determination of the number of Offer Shares and the Offer Price

The Company has, in consultation with the Managers, set an Indicative Price Range for the Offering from NOK 38.5 to NOK 48.0 per Offer Share. The Company will, in consultation with the Managers, determine the number of Offer Shares and the final Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the applications received in the Retail Offering. The Offer Price will be determined on or about 1 February 2018. The Offer Price may be set within, below or above the Indicative Price Range. Investors' applications for Offer Shares in the Institutional Offering will, after the end of the Bookbuilding Period, be irrevocable and binding regardless of whether the Offer Price is set within, above or below the Indicative Price Range. The final Offer Price is expected to be announced by the Company through the Oslo Stock Exchange's Information system on or about 1 February 2018 under the ticker code "SALMON".

19.3.2 Bookbuilding Period

The Bookbuilding Period for the Institutional Offering will last from 24 January 2018 at 09:00 hours (CET) to 1 February 2018 at 11:00 hours (CET), unless shortened or extended.

The Company may, in consultation with the Managers, shorten or extend the Bookbuilding Period at any time, and extension may be made on one or several occasions. The Bookbuilding Period may in no event expire prior to 09:00 hours (CET) on 31 January 2018 or extended beyond 14:00 hours (CET) on 28 February 2018. In the event of a shortening or an extension of the Bookbuilding Period, the allocation date, the payment due date and the date of

delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange will not necessarily be changed.

19.3.3 Minimum application

The Institutional Offering is subject to a minimum application of NOK 2,000,000 per application. Investors in Norway who intend to place an application for less than NOK 2,000,000 must do so in the Retail Offering.

19.3.4 Application procedure

Applications for Offer Shares in the Institutional Offering must be made during the Bookbuilding Period by Informing one of the Managers shown below of the number of Offer Shares that the investor wishes to order, and the price per share that the investor is offering to pay for such Offer Shares.

DNB Markets, Registrars Department

Dronning Eufemias gate 30
P.O. Box 1600 Sentrum
N-0021 Oslo
Norway
Tel: +47 23 26 81 01
E-mail: retail@dnb.no
www.dnb.no/emisjon

Pareto Securities

Dronning Mauds gate 3
P.O. Box 1411 Vika
N-0115 Oslo
Norway
Tel: +47 22 87 87 00
E-mail: subscription@paretosec.com
www.paretosec.com

Nordea

Essendropsgate 7
P.O. Box 1166 Sentrum
N-0107 Oslo
Norway
Tel: + 47 24 01 34 62
E-mail: nis@nordea.com
www.nordea.no/sc

All applications in the Institutional Offering will be treated in the same manner regardless of which Manager the applicant chooses to place the application with. Any orally placed application in the Institutional Offering will be binding upon the investor and subject to the same terms and conditions as a written application. The Managers may, at any time and in their sole discretion, require the investor to confirm any orally placed application in writing. Applications made may be withdrawn or amended by the investor at any time up to the end of the Bookbuilding Period. At the close of the Bookbuilding Period, all applications in the Institutional Offering that have not been withdrawn or amended are irrevocable and binding upon the investor.

19.3.5 Allocation, payment for and delivery of Offer Shares

The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 2 February 2018, by issuing contract notes to the applicants by mail or otherwise.

Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 6 February 2018 (the "**Institutional Closing Date**"). The Institutional Closing Date is expected to be the second business day following the date of issuance of notifications of allocation by the Manager on or about 2 February 2018.

For late payment, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Overdue Payment of 17 December 1976 no. 100 (the "**Norwegian Act on Overdue Payment**"), which, at the date of this Prospectus, is 8.50% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicants, and the Managers reserve the right, at the risk and cost of the applicant, to cancel the application and to re-allot or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit there from). The original applicant remains liable for payment for the Offer Shares allocated to the applicant, together with any interest, cost, charges and expenses accrued, and the Company, and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt delivery of the Offer Shares, the Managers may pre-pay the Offer Shares allocated in the Offering at a total subscription amount equal to the Offer Price multiplied by the number of Offer Shares. Irrespective of any such pre-payment, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding. The pre-payment (if any) as

described above constitute an integrated sales process where the investors purchase Offer Shares from the Company based on this Prospectus, which has been prepared by the Company. The investors will not have any rights or claims against any of the Managers.

19.4 The Retail Offering

19.4.1 Offer Price

The price for the Offer Shares offered in the Retail Offering will be the same as in the Institutional Offering, see Section 19.3.1 "Determination of the number of Offer Shares and the Offer Price".

Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix D (the "**Retail Application Form**"), that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range (i.e. NOK 48.0 per Offer Share). If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range, as long as the Offer Price has been determined on the basis of orders placed during the bookbuilding process described above.

19.4.2 Application Period

The Application Period during which applications for Offer Shares in the Retail Offering will be accepted will last from 24 January 2018 at 09:00 hours (CET) to 1 February 2018 at 10:30 hours (CET), unless shortened or extended. The Company may, in consultation with the Managers, shorten or extend the Application Period at any time, and extension may be made on one or several occasions. The Application Period may in no event expire prior to 09:00 hours (CET) on 31 January 2018 or extended beyond 14:00 hours (CET) on 28 February 2018. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange will not necessarily be changed.

19.4.3 Minimum and maximum application

The Retail Offering is subject to a minimum application amount of NOK 10,500 and a maximum application amount of NOK 1,999,999 for each applicant.

Multiple applications are allowed. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. If two or more identical application forms are received from the same investor, the application form will only be counted once unless otherwise explicitly stated on one of the application forms. In the case of multiple applications through the online application system or applications made both on a physical application form and through the online application system, all applications will be counted. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering.

19.4.4 Application procedures and application offices

Applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number are recommended to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.dnb.no/markets, www.paretosec.com and www.nordea.no/sc (such orders referred to as "**Online Order**"). Applicants in the Retail Offering not having access to the VPS online application system must apply using the Retail Application Form attached to this Prospectus as Appendix D (Application Form for the Retail Offering). Retail Application Forms, together with this Prospectus, can be obtained from the Company, the Company's website www.salmonescamanchaca.cl, the Managers' websites listed below or the application offices set out below. Applications made through the VPS online application system must be duly registered during the Application Period.

The application offices for physical applications in the Retail Offering are:

DNB Markets, Registrars Department

Dronning Eufemias gate 30
P.O. Box 1600 Sentrum
N-0021 Oslo
Norway
Tel: +47 23 26 81 01
E-mail: retail@dnb.no
www.dnb.no/emisjon

Pareto Securities

Dronning Mauds gate 3
P.O. Box 1411 Vikta
N-0115 Oslo
Norway
Tel: +47 22 87 87 00
E-mail: subscription@paretosec.com
www.paretosec.com

Nordea

Essendropsgate 7
P.O. Box 1166 Sentrum
N-0107 Oslo
Norway
Tel: + 47 24 01 34 62
E-mail: nls@nordea.com
www.nordea.no/sc

All applications in the Retail Offering will be treated in the same manner regardless of which of the above Managers the applications are placed with. Further, all applications in the Retail Offering will be treated in the same manner regardless of whether they are submitted by delivery of a Retail Application Form or as an Online Order.

Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, and any application that may be unlawful, may be disregarded without further notice to the applicant. Properly completed Retail Application Forms must be received by one of the application offices listed above or registered electronically through the VPS application system by 10:30 hours (CET) on 1 February 2018, unless the Application Period is being shortened or extended. None of the Company, the Selling Shareholder or any of the Managers may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office.

Subject to Section 19.4.1 "Offer Price" above, all applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

19.4.5 Allocation, payment and delivery of Offer Shares

DNB Markets, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 2 February 2018, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it, may contact one of the application offices listed above on or about 2 February 2018 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS Account**") should be able to see how many Offer Shares they have been allocated from on or about 2 February 2018.

In registering an application through the VPS online application system or completing a Retail Application Form, each applicant in the Retail Offering will authorise DNB Markets (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Retail Application Form. Accounts will be debited on or about 5 February 2018 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 2 February 2018. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date (expected to be 5 February 2018).

Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 2 February 2018, or can be obtained by contacting DNB Markets at +47 23 26 81 01.

Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments, which at the date of this Prospectus is 8.50% per

annum. DNB Markets (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 13 February 2018 if there are insufficient funds on the account on the Payment Date. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Company and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or otherwise dispose of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and that the applicant will not be entitled to any profit there from). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and the Managers may enforce payment of any such amount outstanding.

Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 6 February 2018.

In order to provide for prompt delivery of the Offer Shares, the Managers may pre-pay the Offer Shares allocated in the Offering at a total subscription amount equal to the Offer Price multiplied by the number of Offer Shares. Irrespective of any such pre-payment for Offer Shares, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding. The pre-payment (if any) as described above constitute an integrated sales process where the investors purchase Offer Shares from the Company based on this Prospectus, which has been prepared by the Company. The investors will not have any rights or claims against any of the Managers.

19.5 Mechanism of allocation

It has been provisionally assumed that approximately 95% of the Offering will be allocated in the Institutional Offering and that approximately 5% of the Offering will be allocated in the Retail Offering. The final determination of the number of Offer Shares allocated to the Institutional Offering and the Retail Offering will only be decided, however, by the Company, in consultation with the Managers, following the completion of the bookbuilding process for the Institutional Offering, based on among other things the level of orders or applications received from each of the categories of investors relative to the level of applications or orders received in the Retail Offering. The Company and the Managers reserve the right to deviate from the provisionally assumed allocation between tranches without further notice and at their sole discretion.

No Offer Shares have been reserved for any specific national market.

In the Institutional Offering, the Company, together with the Managers, will determine the allocation of Offer Shares. An important aspect of the allocation principles is the desire to create an appropriate long-term shareholder structure for the Company. The allocation principles will, in accordance with normal practice for institutional placements, include factors such as premarketing and management road-show participation and feedback, timeliness of the order, price level, relative order size, sector knowledge, investment history, perceived investor quality and investment horizon. The Company and the Managers further reserve the right, at their sole discretion, to take into account the creditworthiness of any applicant. The Company and the Managers may also set a maximum allocation, or decide to make no allocation to any applicant.

In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant, however, all allocations will be rounded down to the nearest number of whole Offer Shares and the payable amount will hence be adjusted accordingly. One or multiple orders from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. In the Retail Offering, allocation will be made solely on a pro rata basis using the VPS' automated simulation procedures. The Company and the Managers reserve the right to limit the total number of applicants to whom Offer Shares are allocated if the Company and the Managers deem this to be necessary in order to keep the number of shareholders in the Company at an appropriate level and such limitation does not have the effect that any conditions for the Listing regarding the number of shareholders will not be satisfied. If the Company and the Managers should decide to limit the total number of applicants to whom Offer Shares are allocated, the applicants to whom Offer Shares are allocated will be determined on a random basis by using the VPS' automated simulation procedures and/or other random allocation mechanism. The Company and the Managers reserve the right to set a maximum allocation per applicant in the Retail Offering.

19.6 VPS Account

To participate in the Offering, each applicant must have a VPS Account. The VPS Account number must be stated when registering an application through the VPS online application system or on the Retail Application Form for the Retail Offering. VPS Accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS Accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance. Establishment of VPS Accounts requires verification of identification by the relevant VPS registrar in accordance with Norwegian anti-money laundering legislation (see Section 19.7 "Mandatory anti-money laundering procedures").

19.7 Mandatory anti-money laundering procedures

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 no. 302 (collectively, the "Anti-Money Laundering Legislation").

Applicants who are not registered as existing customers of any of the Managers must verify their identity to the Manager in which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS Account on the Retail Application Form, or when registering an application through the VPS online application system, are exempted, unless verification of identity is requested by any of the Managers. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period may not be allocated Offer Shares.

19.8 Publication of information in respect of the Offering

In addition to press releases which will be posted on the Company's website, the Company will use the Oslo Stock Exchange's Information system to publish information relating to the Offering, such as amendments to the Bookbuilding Period and Application Period (if any), the final Offer Price, the number of Offer Shares and the total amount of the Offering and first day of trading.

The final determination of the Offer Price, the number of Offer Shares and the total amount of the Offering is expected to be published on or about 1 February 2018.

19.9 The rights conferred by the Offer Shares

The Sale Shares and the New Shares will in all respects carry the same rights, with the same shareholders' rights, including the rights to dividends, in the Company as the underlying shares, exercisable through the VPS Registrar as set out in Section 16.6 "VPS registration of the Shares".

For a description of rights attached to the Shares, see Section 16 "Corporate Information and Description of the Share Capital".

19.10 VPS registration

The Offer Shares will be registered in the VPS under ISIN CL0002409135. The Offer Shares will be registered in book-entry form with the VPS, while the shares will be registered in the name of the Chilean Custodian in the Company's shareholder register in Chile.

19.11 Conditions for completion of the Offering – Listing and trading of the Offer Shares

The Company will on or about 26 January 2018 apply for a Listing of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange on or about 31 January 2018 will approve the listing application of the Company, conditional upon that (a) the Company will have in excess of 500 shareholders, each holding shares with a value more than NOK 10,000 (or in the case of Oslo Axess, in excess of 100 shareholders, each holding shares with a value more than NOK 10,000) and (b) there will be a minimum free float of the shares of 25%.

The Company and the Managers have entered into a mandate agreement in connection with the Offering and Listing, and will enter into a Placing Agreement, pursuant to which the Managers shall endeavour to place the Offer Shares. The Placing Agreement will not include an underwriting obligation, but it is intended that a pre-payment obligation for the Managers will be agreed.

Completion of the Offering on the terms set forth in this Prospectus is expressly conditioned upon the board of directors of the Oslo Stock Exchange approving the application for listing of the Shares in its meeting to be held on or about 31 January 2018, on conditions acceptable to the Company and that any such conditions are satisfied by the Company. The Offering will be cancelled in the event that the conditions are not satisfied. There can be no assurance that the board of directors of the Oslo Stock Exchange will give such approval or that the Company will satisfy these conditions. The Offering will at the earliest close on 31 January 2018.

Completion of the Offering on the terms set forth in this Prospectus is otherwise only conditional on (i) the Board of Directors, in consultation with the Managers, resolving to proceed with the Offering, (ii) the Company, in consultation with the Managers, having approved the final Offer Price and the allocation of the Offer Shares to eligible investors following the bookbuilding process and (iii) the Managers, the Company and the Selling Shareholder having entered into a placing agreement regarding the placement of the Offer Shares.

There can be no assurance that these conditions will be satisfied. If the conditions are not satisfied, the Offering may be revoked or suspended.

Assuming that the conditions are satisfied, the first day of trading of the Shares, including the Offer Shares, on the Oslo Stock Exchange is expected to be on or about 2 February 2018. The Shares are expected to trade under the ticker code "SALMON".

Applicants in the Retail Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Payment Date, by ensuring that the stated bank account is sufficiently funded on 2 February 2018. Applicants in the Institutional Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Institutional Closing Date. Accordingly, an applicant who wishes to sell his/her Offer Shares, following confirmed allocation of Offer Shares, but before delivery, must ensure that payment is made in order for such Offer Shares to be delivered in time to the applicant.

Prior to the Listing and the Offering, the Shares are not listed on any stock exchange or authorised market place. On 21 December 2017, the Company submitted its application for trading of the shares on the Santiago Stock Exchange.

19.12 Dilution

Following completion of the Offering, the immediate dilution for the Selling Shareholder is estimated to be approximately 14%, based on the assumption that the Company issues 12,598,008 New Shares.

19.13 Expenses of the Offering and the Listing

The net proceeds to the Company will be approximately USD 45 - 57 million (approximately NOK 354 - 441 million), based on estimated total transaction costs of approximately USD 3 million (approximately NOK 23 million) in connection with the Offering and Listing and to be paid by the Company.

Under the mandate agreement entered into in connection with the Offering and Listing, the Company and the Selling Shareholder will pay the Joint Bookrunners the following commission: The Company shall pay a base fee equal to 3.75% (gross of any tax) of all New Shares allocated (the "**Issue Gross Proceeds**") and the Selling Shareholder shall pay a base fee equal to 3.75% (gross of any tax) of the gross proceeds of all Sale Shares allocated (the "**Sale Gross Proceeds**").

No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

19.14 Lock-up

19.14.1 The Company

The Company is expected to undertake that it will not, without the prior written consent of the Global Coordinator, during the period from the date of the Placing Agreement and until 12 months from the first day of trading of the Shares on Oslo Børs, (1) issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other equity interest in the capital of the Company or any securities convertible into or exercisable for such Shares or other equity interests, or (2) enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or other equity interests, whether any such transaction described in (1) or (2) above is to be settled by delivery of the Shares or other securities or interests, in cash or otherwise, or (3) publicly announce or indicate an intention to effect any transaction

specified in (1) or (2) above. The foregoing shall not apply to: (A) the issue of the Offer Shares in the Offering, (B) the granting of options or other rights to Shares, or the honouring of options or such other rights to Shares, by the Company pursuant to any management or employee share incentive schemes or agreements or (C) the issuance or transfer of Shares as consideration in mergers or acquisitions.

19.14.2 The Selling Shareholder

The Selling Shareholder is expected to undertake that it will not, directly or indirectly, without the prior written consent of the Global Coordinator, during the period from the date of the Placing Agreement until 12 months, from the first day of trading of the Shares on Oslo Børs, (1) sell, offer to sell, contract or agree to sell, hypothecate, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (3) publicly announce an intention to effect any transaction specified in clause (1) or (2), provided, however, that the foregoing shall not apply to: (A) the sale or other transfer of Shares as part of the Offering, (B) the pre-acceptance or acceptance of a takeover offer for all Shares in accordance with chapter 6 of the Norwegian Securities Trading Act or a legal merger, or (C) any transfer of Shares to a company wholly owned by the Parent provided that the transferee(s) in writing assumes the obligations set forth in this undertaking. The undertaking apply to all Shares and rights to Shares currently held or which during the lock-up period are acquired by the Selling Shareholder and entities directly or indirectly controlled by the Selling Shareholder.

19.15 Interest of natural and legal persons involved in the Offering

Compañía Pesquera will in the ordinary course of business provide services to the Company under the Management Services Agreement for which it will receive a fixed fee (see Section 15.3.1 "Management Services Agreement" for a further description).

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a management fee in connection with the Offering, which will be based on the amount of gross proceeds received from investors, and as such, have an interest in the Offering. There is no agreement regarding discretionary fee for the Managers.

The Selling Shareholder will receive the net proceeds from the sale of the Sale Shares.

Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

19.16 Participation of major existing shareholders and members of the Management, supervisory and administrative bodies in the Offering

The Company is not aware of whether any major shareholders of the Company or other members of the Management, supervisory or administrative bodies intend to apply for Offer Shares in the Offering, or whether any person intends to apply for more than 5% of the Offer Shares.

19.17 Governing law and jurisdiction

This Prospectus, the Retail Application Form and the terms and conditions of the Offering shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus, the Retail Application Form or the Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with the Oslo District Court as the legal venue.

20 SELLING AND TRANSFER RESTRICTIONS

20.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

20.2 Selling restrictions

20.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; or (ii) to certain persons outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in each case, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than to those it reasonably believes to be QIBs in the United States in accordance with Rule 144A or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 20.3.1 "United States".

Any offer or sale in the United States will be made by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

Nordea is not an SEC registered broker dealer and will only participate in the Offering outside of the United States.

20.2.2 The UK

This Prospectus and any other material in relation to the Offering described herein is only being distributed to, and is only directed at persons in the UK who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive ("qualified investors") that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom distributions may otherwise lawfully be made (all such persons together being referred to as Relevant Persons). The Offer Shares are only available to, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, Relevant Persons). This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the UK. Persons who are not Relevant Persons should not take any action on the basis of this Prospectus and should not rely on it.

20.2.3 The EEA

In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), an offer to the public of any Offer Shares which are the subject of the offering contemplated by this Prospectus may not be made in that Relevant Member State, other than the offering in Norway as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and published in accordance with the EU Prospectus Directive (as implemented in Norway), except that an offer to the public in that Relevant Member State of any Offer

Shares may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the EU Prospectus Directive, if they have been implemented in that Relevant Member State:

- a) to legal entities which are qualified investors as defined in the EU Prospectus Directive;
- b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive), as permitted under the EU Prospectus Directive, subject to obtaining the prior consent of the Managers for any such offer, or
- c) in any other circumstances falling within Article 3(2) of the EU Prospectus Directive;

provided that no such offer of Offer Shares shall require the Company, the Existing Shareholders or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Directive or supplement a prospectus pursuant to Article 16 of the EU Prospectus Directive. Each person in a Relevant Member State who initially acquires any Offer Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Managers that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

20.2.4 Chile

Pursuant to Law No. 18,045 of Chile (the securities market law of Chile) and General Rule (Norma de Carácter General) No. 336, dated June 27, 2012, issued by the SVS, the Shares may be privately offered in Chile to certain "qualified investors" identified as such by SVS Rule 336 (which in turn are further described in General Rule No. 216 (Norma de Carácter General), dated June 12, 2008, of the SVS). SVS Rule 336 requires the following information to be provided to prospective investors in Chile: (i) date of commencement of the offer (24 January 2018). The offer of Shares is subject Rule (Norma de Carácter General) No. 336, dated June 27, 2012, issued by the SVS; (ii) the subject matter of the Offering described in this Prospectus are securities not registered with the Securities Registry (Registro de Valores) of the SVS, nor with the foreign securities registry (Registro de Valores Extranjeros) of the SVS, and as such are not subject to the oversight of the SVS; (iii) since the Shares are not registered in Chile there is no obligation by the issuer to make publicly available information about the Shares in Chile; and (iv) the Shares shall not be subject to public offering in Chile unless registered with the relevant Securities Registry of the SVS.

20.2.5 Additional jurisdictions

20.2.5.1 Switzerland

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 f of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Offer Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Offering, the Company or our Shares has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Offering will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the Offering has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

20.2.5.2 Canada

This Prospectus is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the Offer Shares in Canada or any province or territory thereof. Any offer or sale of the Offer Shares in Canada will be made only pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

20.2.5.3 Hong Kong

The Offer Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

20.2.5.4 Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "Singapore SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the Singapore SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Singapore SFA.

20.2.5.5 Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

20.3 Transfer restrictions

20.3.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated

and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that the Company, the Existing Shareholders, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.
- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) of the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.

- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.
- The purchaser acknowledges that the Company, the Existing Shareholders, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

20.3.2 *The EEA*

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

- a) it is a qualified investor as defined in the EU Prospectus Directive; and
- b) In the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an "offer" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

21 ADDITIONAL INFORMATION

21.1 Auditor and advisors

The Company's independent auditor is PricewaterhouseCoopers Consultores Auditores SpA (PwC), with tax ID number 81513400-1, and business address at Torre Costanera Av. Andrés Bello 2711, floors 3, 4 and 5 Las Condes, Chile. PwC is registered as external auditor before the Chilean Superintendencia de Valores y Seguros (Chilean Stock and Insurance Superintendency) and in the United States as Independent Registered Accounting Firm before PCAOB. PwC has been registered with the Norwegian FSA.

DNB Markets, a part of DNB Bank ASA, (Dronning Eufemias gate 30, N-0191 Oslo, Norway) is acting as Global Coordinator for the Offering, and Nordea Bank AB (Publ), filial i Norge (Essendropsgate 7, N-0368 Oslo, Norway) and Pareto Securities AS (Dronning Mauds gate 3, N-0250 Oslo) are acting as Joint Bookrunners for the Offering.

Advokatfirmaet Thommessen AS (Haakon VIIs gate 10, N-0161 Oslo, Norway) is acting as Norwegian legal counsel to the Company.

21.2 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Avenida Diego Portales 2000, 13th floor, Puerto Montt, Los Lagos Región, Chile, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- The Company's Memorandum of Association and bylaws;
- All reports, letters, and other documents, the Historical Financial Information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus;
- The historical financial information of the Company and its subsidiary undertakings for each of the two financial years preceding the publication of this Prospectus; and
- This Prospectus.

22 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

2010 PD Amending Directive	Directive 2010/73/EU amending the EU Prospectus Directive.
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 no. 302, collectively.
APMs	Alternative Performance Measures.
Application Period	The application period for the Retail Offering which will take place from 09:00 hours (CET) on 24 January 2018 to 10:30 hours (CET) on 1 February 2018, unless shortened or extended.
Area Authorisation	Permission to use national or fiscal areas for the purposes of developing a specific technical project (as granted under the Operational Authorisation), granted by the Undersecretary of Armed Forces.
ASC	Aquaculture Stewardship Council.
Associated Companies	New World Currents and Surproceso.
Audit Committee	The Company's audit committee.
BAP	Best Aquaculture Practices.
Board of Directors	The Company's board of directors.
Bookbuilding Period	The offer period for the Institutional Offering which will take place from 09:00 hours (CET) on 24 January 2018 to 11:00 hours (CET) on 1 February 2018, unless shortened or extended.
Bylaws	The Company's bylaws as amended on 10 November 2017.
CAD	Canadian dollar, the lawful currency of Canada.
Camanchaca Group	Compañía Pesquera and all its subsidiaries.
Caleta Bay JV or Caleta Bay Trout Joint Venture	The Caleta Bay trout joint venture operating under the Caleta Bay flag.
Caleta Bay JV Agreement	The joint venture agreement between Salmones and the two other contractual parties.
Global G.A.P	Good Agriculture Practice.
CCCH	The Colegio de Contadores de Chile (Institute of Accountants of Chile).
CEO	Chief executive officer.
CET	Central European Time.
Camanchaca Group	Compañía Pesquera and its subsidiaries.
Chile	The Republic of Chile.
Chilean Corporations Act	Law No. 18,046 (the Corporations Act).
Chilean Custodian	The VPS Registrar's nominee in Chile.
Chilean Shareholders	Shareholders who are resident in Chile for tax purposes.
CISA	The Swiss Federal Act on Collective Investment Schemes.
CIT	Chilean corporate level tax.
CLP	Chilean Peso, the lawful currency of Chile.
GSI	Global Salmon Initiative.
Compañía Pesquera	Compañía Pesquera Camanchaca S.A.
Company	Salmones Camanchaca S.A.
CAGR	Compound annual growth rate.
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance, dated 30 October 2014.
Directors	The members of the Board of Directors.
Distribution Agreements	Distribution agreements among the Company, Compañía Pesquera, Camanchaca, Inc. and Camanchaca Limited (Kabushiki Kaisha Camanchaca).
DNB	DNB Bank ASA.
DNB Markets	DNB Markets, a part of DNB.
EBIT	Earnings (loss) from operations for the period before interest, or "finance costs", and taxation, unusual loss, biological assets fair value adjustments and other items on the Company's financial statements that the Company believes do not reflect the ongoing operations.
EBITDA	Earnings (loss) from operations for the period before interest, or "finance costs", taxations, depreciation, amortization, unusual loss, biological assets fair value adjustments and other items on the financial statements that the Company believes do not reflect the ongoing operations.
EEA	The European Economic Area.
EIA	Environmental Impact Assessment.
EIA System	Environmental Impact Assessment System.
EU	The European Union.
EU Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State.

EUR.....	EU Member State currency.
Existing Shareholders.....	Compañía Pesquera and Inmobiliaria Camanchaca S.A.
FAO.....	The Food and Agriculture Organization of the United Nations.
Financial Statements.....	The Company's audited financial statements as at, and for the years ended, 31 December 2014, 2015 and 2016.
Fiordo Blanco.....	Fiordo Blanco S.A.
FSMA.....	The Financial Services and Markets Act 2000.
GAA.....	Global Aquaculture Alliance.
GBP.....	British pound, lawful currency of the United Kingdom.
Gearing Ratio.....	The ratio between the Company's net interest bearing debt to 12 months rolling EBITDA.
General Shareholders' Meeting.....	The Company's general meeting of shareholders, i.e. the Company's highest decision making authority.
GLFA.....	General Law for Fisheries and Aquaculture.
Global Coordinator.....	DNB Markets.
Group.....	The Company together with its Subsidiary.
HAB.....	Harmful algae bloom.
Historical Financial Information.....	The Financial Statements and the Interim Financial Information.
IAS 34.....	International Accounting Standard 34 "Interim Financial Reporting".
IFRS.....	International Financial Reporting Standards.
Indicative Price Range.....	The indicative price range in the Offering of NOK 38.5 to NOK 48.0 per Offer Share.
Institutional Closing Date.....	Delivery and payment for the Offer Shares by the applicants in the Institutional Offering is expected to take place on or about 6 February 2018.
Institutional Offering.....	An institutional offering, in which Offer Shares are being offered to (a) investors in Norway, (b) investors outside Norway and the United States, subject to applicable exemptions from any prospectus requirements, and (c) investors in the United States who are QIBs in transactions exempt from registration requirements under the U.S. Securities Act, subject to a lower limit per application of NOK 2,000,000.
Interim Financial Information.....	The Company's unaudited interim financial information as at, and for the three and nine month periods ended 30 September 2017 (with comparable figures for the three and nine month periods ended 30 September 2016).
Issue Gross Proceeds.....	A base fee equal to 3.75% (gross of any tax) of all New Shares allocated, payable by the Company to the Joint Bookrunners.
IT.....	Information technology.
Joint Bookrunners.....	DNB, Pareto Securities, Nordea and LarrainVial.
Kontali.....	Kontali Analyse.
KPIs.....	Key performance indicators.
LarrainVial.....	Larrain Vial S.A. Corredora de Bolsa.
LIBOR.....	London Interbank Offered Rate.
License Agreement.....	Licensing agreement between the Company and Compañía Pesquera which grants the Company an indefinite license to use all trademarks, logos, brand names and other intellectual property rights of importance to the operations of the Group, including the right to use "Camanchaca" as part of its company name.
Listing.....	The listing of the Shares on the Oslo Stock Exchange
MAB.....	Maximum allowed biomass.
Management.....	The senior management team of the Company.
Management Services Agreement.....	The revised management services agreement between the Company and Compañía Pesquera dated 30 November 2017.
Managers.....	The Global Coordinator and the Joint Bookrunners.
New Shares.....	Up to 9,181,992 new Shares to be allocated by the Company in the Offering.
New World Currents.....	New World Currents Inc.
NFASR.....	The National Fishery and Aquaculture Service Resolutions.
NOK.....	Norwegian Kroner, the lawful currency of Norway.
Non-Chilean Shareholder.....	Shareholders who are not resident in Chile for tax purposes.
Non-Norwegian Shareholders.....	Non-Norwegian tax resident shareholders.
Nordea.....	Nordea Bank AB (publ), filial i Norge.
Norges Bank.....	The Central Bank of Norway.
Norwegian Act on Overdue Payment.....	The Norwegian Act on Overdue Payment of 17 December 1976 no. 100.
Norwegian Corporate Shareholders.....	Shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes.
Norwegian FSA.....	The Norwegian Financial Supervisory Authority (Nw.: <i>Finanstilsynet</i>).
Norwegian Personal Shareholders.....	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Securities Trading Act.....	The Norwegian Securities Trading Act of 29 June 2007 no. 75.
Offering or IPO.....	The initial public offering, the Institutional Offering and the Retail Offering taken together.

Offer Price.....	The final offering price for the Offer Shares in the Offering, set in a range within, below or above the Indicative Price Range.
Offer Shares	The New Shares and Sale Shares – the Shares offered pursuant to the Offering.
Online Order	Application for Offer Shares through the VPS online application system.
Operational Authorisation	The concession's activities schedule and technical project, reviewed and approved by the Undersecretary of Fishery.
Order.....	The UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Oslo Stock Exchange.....	Oslo Børs ASA, or, as the context may require, Oslo Børs or Oslo Axess, Norwegian regulated stock exchanges operated by Oslo Børs ASA.
Pareto Securities	Pareto Securities AS.
Payment Date	The payment date for the Offer Shares under the Retail Offering expected to be on or about 5 February 2018.
PCAOB	The Public Company Accounting Oversight Board.
PIS	Partially-Integrated regime of taxation.
Prospectus.....	This Prospectus, dated 24 January 2018.
PwC.....	PricewaterhouseCoopers Consultores Auditores SpA.
QIBs.....	Qualified institutional buyers as defined in Rule 144A.
RAMA	The Aquaculture Environmental Regulation (D.S. 320/2001).
RESA	The Regulation for protection, control and eradication measures for high diseases for the hydro biological species (D.S. 321/2001).
Registrar Agreement.....	The deposit and registrar agreement between the VPS Registrar and the Company.
Regulation S	Regulation S under the U.S. Securities Act.
Refinancing	The refinancing of the Company and Compañía Pesquera's financing under the SFA under the Revolving Credit Facility, which allows for an advance payment of all existing bank debt, including the SFA.
Relevant Implementation Date	In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State.
Relevant Member State	Each Member State of the EEA which has implemented the EU Prospectus Directive.
Relevant Persons.....	Persons in the UK that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Retail Application Form	Application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix D.
Retail Offering	A retail offering, in which Offer Shares are being offered to the public in Norway, subject to a lower limit per application of an amount of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor.
Reorganisation	The reorganisation of the corporate structure of the Camanchaca Group.
Revolving Credit Facility	The revolving credit facility with DNB Bank ASA and Coöperatieve Rabobank U.A. as bookrunners and mandated lead arrangers, providing a secured revolving USD million loan.
Rule 144A	Rule 144A under the U.S. Securities Act.
Sales Agents.....	Camanchaca, Inc. and Camanchaca Limited, together sales agents under the Distribution Agreements.
Sale Shares	Up to 12,598,008 existing Shares of the Company offered by the Selling Shareholder in the Offering, subject to change.
Salmones	Salmones Camanchaca S.A.
Salmones Group	The Group together with the Associated Companies.
Selling Shareholder.....	Compañía Pesquera.
Sernapesca	The National Fishing and Aquaculture Service.
SFA.....	The senior facility agreement from May 2013 entered into with Banco de Chile, BCI, Banco Estado, Banco Santander-Chile, Banco Security, Rabobank Curaçao and BBVA Chile as lenders.
Share(s)	The beneficial interest in the Company's share(s) as registered in the VPS and listed and traded on the Oslo Stock Exchange in the form of a depository receipt.
Shareholder(s)	The registered owner of a Share in the VPS.
Singapore SFA	The Securities and Futures Act, Chapter 289 of Singapore.
SIX	The Swiss Exchange.
Subsidiary.....	Fiordo Blanco.
Surproceso	Surproceso S.A.
SVS	The Chilean securities and insurance regulator (<i>Superintendencia de Valores y Seguros</i>), which from 15 January 2018 was replaced by the Chilean Financial Markets Commission (<i>Comisión para el Mercado Financiero</i>) as per Chilean Law No. 21,000.
UK.....	The United Kingdom.
U.S. or United States	The United States of America.
U.S. Exchange Act.....	The U.S. Securities Exchange Act of 1934, as amended.

U.S. Securities Act.....	The U.S. Securities Act of 1933, as amended.
USD	United States Dollars, the lawful currency in the United States.
VPS	The Norwegian Central Securities Depository (<i>Nw.: Verdipapirsentralen</i>).
VPS Account	An account with VPS for the registration of holdings of securities.
VPS Registrar.....	DNB.
WFE	Whole Fish Equivalent.

APPENDIX A:
BYLAWS OF SALMONES CAMANCHACA S.A.

SALMONES CAMANCHACA S.A.

BYLAWS

NOVEMBER 10TH, 2017

SALMONES CAMANCHACA S.A.

BYLAWS

TITLE FIRST

Name, Domicile, Duration and Purpose

Section One: A joint stock corporation is hereby organized with the name of Salmones Camanchaca S.A. Its domicile will be the district of Las Condes, Metropolitan Region, Republic of Chile, being authorized to establish agencies or branches elsewhere in the country or abroad. The Company will be governed by these bylaws and, in respect of any matter not particularly provided herein, by the provisions in Law No. 18,046, the Joint Stock Corporations Regulations, and other provisions applicable to this type of companies.

Section Two: The duration of the Company will be indefinite.

Section Three: The purpose of the Company will be: a) the activity of aquiculture in general and, in particular, the breeding, production and nursing of salmon, trout and other salmonidae as well as all kind of species, beings or organisms that have the water as their normal or more frequent natural environment, including the investigation and development of the genetics of Salmonidae, and the industrialization, processing, elaboration, cooling, freezing, drying, packing, packaging, transporting and marketing of the products, byproducts and derivatives of the aquiculture activity, all as principal and also providing services to third parties in the activities mentioned above; and b) the investigation and development, production and manufacture of raw materials, machines, elements and materials for the activity of aquiculture, all for its own industry and for their marketing to third parties.

TITLE SECOND

Capital and Shares

Section Four: The capital of the Company is the amount of 91,786,390.08 dollars of the United States of America, divided into 66,000,000 de nominative no par value shares, all of the same and single series, without any privilege whatsoever.

TITLE THIRD

Administration

Section Five: The Company will be administered by a Board of Directors formed by five members, who may be re-elected. The Board of Directors will remain in office for a period of two years, at the end of which it will be renewed completely. The directors may be re-elected indefinitely. The directors will be entitled to received compensation for the carrying out of their duties. The amount of compensation will be determined annually by the Ordinary General Shareholders Meeting.

Section Six: The Board of Directors will represent the Company both in an out-of-court and, for the compliance with the corporate purpose, which fact shall not be necessary to evidence to third parties, the Board of Directors will be vested with all the powers of administration and disposition that the laws or these bylaws do not reserve exclusively to the General Shareholders Meeting, without being necessary for this purpose to have it conferred a special power of attorney of any nature whatsoever, even for those acts or contracts for which the laws require this circumstance, being in consequence broadly authorized to perform all those acts and execute all those contracts that it may consider convenient for the administration of the corporate businesses and the investment of the resources of the Company.

Section Seven: At its first meeting following the Ordinary General Shareholders Meeting making its appointment, the Board of Directors will elect a Chairman from among its members, who shall also be the President of the Company and perform such function at the shareholders' meetings.

The meetings of the Board of Directors and the shareholders' general meetings will be presided by the appointed Chairman. In the event of absence, dead, legal following incapacity or impediment of the Chairman, which circumstance shall not be necessary to demonstrate to third parties in any manner whatsoever, the function of the President will be performed, with all his (her) authority and powers, by the director who is appointed to that effect by the Board of Directors.

Section Eight: The Board of Directors will hold ordinary and extraordinary meetings. The ordinary meetings of the Board of Directors will be held once a month, on the dates and at the times previously determined by the Board of Directors itself, without the need for a previous convening, in the corporate domicile, unless (i) the unanimity of the directors resolve to hold a particular meeting out of the corporate domicile, or (ii) the unanimity of the directors participate in same.

The extraordinary meetings of the Board of Directors will be held whenever especially convened by the Chairman, either on his (her) own initiative or at the request of one or more directors, following the qualification that the Chairman makes in respect of the need for the meeting, unless the holding of same is requested by the absolute majority of the directors, in which case the meeting shall necessarily be held without a prior qualification.

The convening to extraordinary meetings of the Board of Directors will be made by means of a certified letter dispatched to each one of the directors to the domicile they have registered in the Public Register mentioned in section 135 of Law No. 18,046, which dispatch shall be made at least six days in advance to the date scheduled for the holding of the relevant extraordinary meeting. The term indicated above may be reduced down to an advance of twenty-four hours if the letter is delivered in the domicile indicated above by a notary public, which letter shall have the desired effect even if the director is absent or would have changed his (her) domicile.

The citation to an extraordinary meeting of the Board of Directors must contain a reference to the matters to be discussed and such citation may be omitted if the relevant meeting is attended by the unanimity of the directors of the Company.

Section Nine: The meetings of the Board of Directors will be established with the attendance of at least three directors. The resolutions will be adopted by the affirmative vote of the absolute majority of the directors attending the meeting. In the event of a tie in the vote, the Chairman, or whoever performs as such, will have a casting vote.

Section Ten: The discussions and resolutions adopted by the Board of Directors will be transcribed into a book of minutes, to be kept by any means that can provide assurance that no insertions, suppressions or any other adulteration will affect the fidelity of the minute.

The minutes transcribing the meetings of the Board of Directors shall be signed by the directors who have attended the meeting, and its Secretary.

If any of the directors die, become incapacitated for any reason, or refuse to sign the relevant minute, the respective circumstance of the death, impediment of refusal shall be certified by the Secretary at the bottom of the respective minute.

The minute will be considered approved as from the time of its execution and/or the certification of the Secretary referred to in the preceding paragraph, as applicable, and as of such date it will be possible to carry out the resolutions which same refer to.

The director who would like to be acquitted for his (her) responsibility for an act or resolution of the Board of Directors must request that his (her) opposition be recorded in the minute, being mandatory to inform of such fact in the following Ordinary General Shareholders Meeting by whoever presides it.

The director that considers that a minute contains inaccuracies or omissions has the right to express, prior to his (her) execution, the observations that may correspond.

Section Eleven: The Company shall have a Chief Executive Officer who will be designated by the Board of Directors and who will be vested with all the authority that upon him (her) is assigned by the law as well as all that is conferred upon him (her) by the Board of Directors.

The Chief Executive Officer will act as the Secretary to the Board of Directors and to the General Shareholders Meetings at all the meetings that are held, unless the Board of Directors designates other individual to perform such duties, either in a permanent fashion or for a particular meeting.

TITLE FOURTH

External Auditors

Section Twelve: The Ordinary General Shareholders Meeting will designate, on an annual basis, an external audit firm governed by the provisions in Title XXVIII of Law No. 18,045 for the purpose of examining the accounts, inventory, balance sheet and other financial statements of the Company, with the obligation to report in writing to the next following Ordinary General Shareholders Meeting about the compliance of its obligations.

TITLE FIFTH

General Shareholders Meetings

Section Thirteen: The shareholders will hold both ordinary and extraordinary meetings.

The ordinary shareholders' meetings will be held within the first quarter of each year.

The extraordinary shareholders' meetings may be held at any time, when required by the corporate needs, to resolve in respect of any matter that the laws or these bylaws reserve to the knowledge of the meetings of the shareholders, provided such matters are indicated in the relevant summons.

The Board of Directors must summon the ordinary or extraordinary shareholders' meeting, as the case may be, whenever so requested by shareholders representing at least ten per cent (10%) of the shares issued with voting rights, expressing in the request the matters to be dealt with at the meeting.

In the same manner, the Board of Directors shall summon the ordinary or extraordinary shareholders' meeting, as the case may be, whenever so required by the Superintendence of Securities and Insurance, notwithstanding the authority of the latter to summon directly.

The meetings summoned by the shareholders, or the Superintendence, must be held within the term of thirty (30) days counted from the date of the corresponding request.

Section Fourteen: The meetings will be established on the first call, except that the law or these bylaws may require larger majorities, with the absolute majority of the shares issued with voting rights and, on second call, with those that are present or represented, notwithstanding their number.

Section Fifteen: The resolutions adopted by the ordinary and extraordinary shareholders' meetings will be adopted, on first and second call, with the affirmative vote of the absolute majority of the shares with voting rights present or represented at the meeting, except that the law or these bylaws may require special majorities in order to adopt certain resolutions.

Section Sixteen: The resolutions of the ordinary and extraordinary general shareholders' meetings implying amendments to the corporate bylaws, or remedying the nullity of amendments to the latter caused by formal errors, shall be adopted by the absolute majority of the shares issued with voting rights.

The resolutions related to the matters mentioned in numbers one to sixteen, both inclusive, of section 67 of Law No. 18,046, shall require the affirmative vote of two-thirds of the shares issued with voting rights.

The amendments to the bylaws with the purpose of create, amend or suppress any shares' preferences shall be approved with the affirmative vote of two-thirds of the shares of the affected series of outstanding shares.

Section Seventeen: The discussions and resolutions of the shareholders' meetings shall be recorded in a book of minutes to be maintained by the Secretary, if that is the case, or, in its absence, by the Chief Executive Officer.

TITLE SIX

Balance Sheet and Distribution of Profits

Section Eighteen: A General Balance Sheet of the operations of the Company will be prepared as of December 31 of each year.

Out of the net profits of each fiscal year, there shall be destined:

- a) a quota not inferior to thirty per cent (30%) of same to be distributed as dividend in cash among the shareholders, proportionate to their shares; and
- b) the balance of the profits not distributed as dividend, to form the reserves that the Ordinary General Shareholders Meeting decides.

TITLE SEVENTH

Dissolution and Liquidation

Section Nineteen: The Company will be dissolved and liquidated by resolution of the Extraordinary General Shareholders Meeting, and in the other cases set forth by the law.

Section Twenty: Upon the dissolution of the Company it will be proceeded to liquidated by a Liquidating Committee designated by the General Shareholders Meeting, which will also determine its compensation.

Section Twenty-one: Except by the unanimous resolution to the contrary of the shares issued with voting rights of the Company, and the provisions in section 110 of Joint Stock Corporations Act, the Liquidating Committee shall be formed by three liquidators.

TITLE EIGHTH

Arbitration

Section Twenty-two: The differences arising among the shareholders in their capacity as such, or between the latter and the Company or its administrators, whether during the duration term of the Company, or during its liquidation process, irrespective of the nature they may be, shall be submitted to the jurisdiction of an arbitrator-mediator designated by common agreement of the parties and, in the absence of such agreement, by the ordinary courts of law, against the resolution of which there shall proceed no recourse whatsoever.

In the event that the arbitrator is designated by the ordinary courts of law, the election must fall upon an attorney who performs, or has performed, as head professor of Civil, Commercial or Tax Law at the Schools of Law of either Universidad de Chile or the Pontifical Catholic University of Chile.

TITLE NINTH

Controller's Purchase Right

Section Twenty-three: If the controller has reached more than the 95 percent of the shares of the company through a public offer to acquire shares made by all the shares of the company (or the respective series of shares) in which it has acquired at least 15 percent of such shares from unrelated shareholders, the controller shall be entitled purchase all the shares of the shareholders who do not choose to exercise the retirement right that assists them under article 71 bis of Law No. 18,046, the Joint Stock Corporations Regulations. The price to be paid for such shares and the manner of exercise this purchase right shall be in accordance with the provisions contained in article 71 bis of the previously mentioned Law.

APPENDIX B:
FINANCIAL STATEMENTS FOR THE YEARS ENDED
31 DECEMBER 2016, 2015 AND 2014



SALMONES CAMANCHACA S.A.

Financial statements

December 31, 2016

(A free translation from the original in Spanish)

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Statements of cash flows, direct method
Notes to the financial statements

ThUS\$ - Thousands of United States dollars

UF - Unidades de fomento (a Chilean peso based inflation indexed currency unit)

ThCh\$ - Thousands of Chilean pesos

INDEPENDENT AUDITORS' REPORT

(A free translation from the original in Spanish)

Santiago, October 12, 2017
(January 23, 2018 for Note 32.d)

Dear Shareholders and Directors
Salmones Camanchaca S.A.

We have audited the accompanying financial statements of Salmones Camanchaca S.A., which comprise the statements of financial position as of December 31, 2016, 2015 and 2014, and the related statements of net income, comprehensive income, changes in equity and cash flows for the years then ended and the related notes to these financial statements.

Management responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes the design, implementation and maintenance of relevant internal controls for the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with generally accepted auditing standards in Chile. Those standards require that we plan and perform our work to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we do not express such an opinion. An audit also includes evaluating the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Santiago, October 12, 2017
(January 23, 2018 for Note 32.d)
Salmones Camanchaca S.A.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Salmones Camanchaca S.A. as of December 31, 2016, 2015 and 2014, and the results of its operations and cash flows for the years then ended, in accordance with International Financial Reporting Standards (IFRS).

Guido Licci P.
Chilean Identification Number: 9,473,234-4

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SALMONES CAMANCHACA S.A.

CLASSIFIED STATEMENTS OF FINANCIAL POSITION (AUDITED)

AS OF DECEMBER 31, 2016, 2015 AND 2014

(A free translation from the original in Spanish)

Assets	Note	12-31-2016	12-31-2015	12-31-2014
		ThUS\$	ThUS\$	ThUS\$
Current assets				
Cash and cash equivalents	6	1,642	1,774	3,497
Other financial assets, current		2	11	28
Other non-financial assets, current	11	4,868	3,111	3,490
Trade and other receivables	7	27,684	19,891	22,894
Related party receivables	8	15,547	15,563	18,226
Inventories	9	23,344	37,363	31,670
Biological assets, current	10	60,977	79,683	67,653
Tax assets, current	13	1,857	1,650	1,861
Total current assets		135,921	159,046	149,319
Non-current assets				
Other financial assets, non-current		27	27	27
Other non-financial assets, non-current	11	112	112	112
Tax assets, non-current	13	3,995	3,995	3,995
Equity method investments	12	412	265	1
Intangible assets other than goodwill	14	4,216	4,216	4,216
Property, plant and equipment	15	69,005	69,759	69,238
Biological assets, non-current	10	17,199	13,759	21,659
Deferred tax assets	16	-	4,369	1,064
Total non-current assets		94,966	96,502	100,312
Total assets		230,887	255,548	249,631

The accompanying Notes 1 to 34 are an integral part of these financial statements.

SALMONES CAMANCHACA S.A.

CLASSIFIED STATEMENTS OF FINANCIAL POSITION (AUDITED)

AS OF DECEMBER 31, 2016, 2015 AND 2014

(A free translation from the original in Spanish)

Liabilities and equity	Note	12-31-2016	12-31-2015	12-31-2014
		ThUS\$	ThUS\$	ThUS\$
Current liabilities				
Other financial liabilities, current	17	10,554	10,815	9,461
Trade and other payables, current	18	28,821	47,742	40,783
Related party payables, current	8	32,812	34,727	31,283
Tax liabilities, current		9	10	26
Total current liabilities		72,196	93,294	81,553
Non-current liabilities				
Other financial liabilities, non-current	17	99,917	110,145	120,373
Payables, non-current		128	-	262
Related party payables, non-current	8	36,372	60,924	45,012
Other provisions, non-current		-	-	101
Deferred tax liabilities	16	3,892	-	-
Employee benefit provisions, non-current	19	136	125	147
Total non-current liabilities		140,445	171,194	165,895
Total liabilities		212,641	264,488	247,448
Net Equity				
Share capital	20	34,843	34,843	34,843
Retained earnings (accumulated losses)	20	(16,672)	(43,838)	(32,746)
Other reserves	20	75	55	86
Total net equity		18,246	(8,940)	2,183
Total liabilities and equity		230,887	255,548	249,631

The accompanying Notes 1 to 34 are an integral part of these financial statements.

SALMONES CAMANCHACA S.A.

STATEMENT OF CHANGES IN EQUITY (AUDITADO)

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

(A free translation from the original in Spanish)

	Share capital ThUS\$	Foreign currency conversion reserve ThUS\$	Total other reserves ThUS\$	Retained earnings (accumulated losses) ThUS\$	Total Equity ThUS\$
Opening balance, January 1, 2014	34,843	91	91	(36,669)	(1,735)
Changes in equity	-	-	-	-	-
Comprehensive income	-	-	-	-	-
Net income for the year	-	-	-	3,923	3,923
Other comprehensive income	-	(5)	(5)	-	(5)
Total comprehensive income (loss)	-	(5)	(5)	-	(5)
Changes in total equity	-	(5)	(5)	-	(5)
Closing balance as of December 31, 2014	34,843	86	86	(32,746)	2,183
Opening balances as of January 1, 2015	34,843	86	86	(32,746)	2,183
Changes in equity	-	-	-	-	-
Comprehensive income	-	-	-	-	-
Net loss for the year	-	-	-	(11,092)	(11,092)
Other comprehensive income	-	(31)	(31)	-	(31)
Total comprehensive income (loss)	-	(31)	(31)	(11,092)	(11,123)
Changes in total equity	-	(31)	(31)	(11,092)	(11,123)
Closing balance as of December 31, 2015	34,843	55	55	(43,838)	(8,940)
Opening balances as of January 1, 2016	34,843	55	55	(43,838)	(8,940)
Changes in equity	-	-	-	-	-
Comprehensive income	-	-	-	-	-
Net income for the year	-	-	-	27,166	27,166
Other comprehensive income	-	20	20	-	20
Total comprehensive income (loss)	-	20	20	27,166	27,186
Changes in total equity	-	20	20	27,166	27,186
Closing balance as of December 31, 2016	34,843	75	75	(16,672)	18,246

The accompanying Notes 1 to 34 are an integral part of these financial statements.

SALMONES CAMANCHACA S.A.

STATEMENT OF NET INCOME BY FUNCTION (AUDITED)

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

(A free translation from the original in Spanish)

	Note	12-31-2016	12-31-2015	12-31-2014
		ThUS\$	ThUS\$	ThUS\$
Revenue	22	225,546	200,788	237,950
Cost of sales	9	(185,197)	(191,113)	(203,115)
Gross margin before fair value		40,349	9,675	34,835
Gain (loss) on fair value of biological assets	10	63,623	(20,745)	(2,047)
Fair value adjustment to biological assets harvested and sold	10	(38,694)	14,511	(8,391)
Gross margin		65,278	3,441	24,397
Administrative expenses	23	(9,207)	(8,849)	(9,629)
Distribution costs	24	(6,737)	(8,987)	(6,117)
Finance costs	25	(3,596)	(3,735)	(3,402)
Share of net income (losses) of equity method associates and joint ventures		127	397	141
Exchange differences	26	(409)	(250)	(324)
Other gains (losses)	27	(10,054)	3,393	(35)
Finance income		73	203	54
Net Income before tax		35,475	(14,387)	5,085
Income tax (expense) income	16	(8,309)	3,295	(1,162)
Net income from continuing operations		27,166	(11,092)	3,923
Net income from discontinued operations		-	-	-
Net income (loss) for the year		27,166	(11,092)	3,923
Earnings per share		-	-	-
Basic earnings per share:		-	-	-
Basic earnings per share from continuing operations (US\$/share)	21	131.835	(53.829)	19.038
Basic earnings per share from discontinued operations (US\$/share)		-	-	-
Basic earnings per share (US\$/share)		131.835	(53.829)	19.038
Diluted earnings per share:		-	-	-
Diluted earnings per share from continuing operations (US\$/share)		-	-	-
Diluted earnings per share from discontinued operations (US\$/share)		-	-	-
Diluted earnings per share (US\$/share)		-	-	-

The accompanying Notes 1 to 34 are an integral part of these financial statements.

SALMONES CAMANCHACA S.A.

STATEMENT OF COMPREHENSIVE INCOME (AUDITED)

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

(A free translation from the original in Spanish)

	12-31-2016	12-31-2015	12-31-2014
	ThUS\$	ThUS\$	ThUS\$
Net income (loss) for the year	27,166	(11,092)	3,923
Other comprehensive income	-	-	-
Gain (loss) from foreign currency conversion	20	(31)	(5)
Total other comprehensive income (loss)	20	(31)	(5)
Total comprehensive income (loss)	27,186	(11,123)	3,918

The accompanying Notes 1 to 34 are an integral part of these financial statements.

SALMONES CAMANCHACA S.A.

STATEMENT OF CASH FLOWS, DIRECT METHOD (AUDITED)

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

(A free translation from the original in Spanish)

	Note	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Receipts				
Receipts from the sale of goods & provision of services		236,736	252,006	266,443
Payments				
Payments to suppliers for goods and services		(168,423)	(218,253)	(221,594)
Payments to and on behalf of employees		(20,368)	(22,210)	(23,258)
Interest paid		(3,367)	(3,641)	(3,325)
Interest received		73	203	54
Income taxes received (paid)		(47)	(26)	(26)
Other cash receipts (payments)		2,225	294	(37)
Net cash flows from operating activities		46,829	8,373	18,257
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES				
Receipts from short-term loans		-	663	241
Loan repayments		(10,619)	(9,631)	-
Payments to related parties		(25,140)	-	(8,437)
Receipts from related parties		-	14,929	-
Net cash flows from (used in) financing activities		(35,759)	5,961	(8,196)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES				
Receipts from the sale of property, plant and equipment		105	74	1
Purchases of property, plant and equipment		(11,029)	(15,702)	(6,918)
				10
Net cash flows from (used in) investing activities		(10,924)	(15,628)	(6,907)
Increase (decrease) in cash & cash equivalents before effect of changes in exchange rates				
		146	(1,294)	3,154
Effects of changes in exchange rates on cash and cash equivalents		(278)	(429)	(335)
Net Increase (decrease) in cash and cash equivalents		(132)	(1,723)	2,819
Cash and cash equivalents at the beginning of the year		1,774	3,497	678
Cash and cash equivalents at the end of the year	6	1,642	1,774	3,497

The accompanying Notes 1 to 34 are an integral part of these financial statements.

SALMONES CAMANCHACA S.A.

NOTES TO THE FINANCIAL STATEMENTS

AS OF December 31, 2016 (AUDITED)

(A free translation from the original in Spanish)

NOTE 1 - GENERAL INFORMATION

Salmones Camanchaca S.A. was constituted as a private limited company when Compañía Pesquera Camanchaca S.A. split on January 1, 2009, in accordance with a public deed dated June 26, 2009 legalized before the Public Notary of Mr. Félix Jara Cadot. The purpose of the Company is breeding, producing, marketing and farming salmon, trout and other species or organisms whose normal and most frequent environment is water, including research and development of Salmonidae genetics, farming, cultivating, processing, producing and marketing sea-food. An Extraordinary General Shareholders' Meeting held on October 23, 2009 agreed that Salmones Camanchaca S.A. should become a direct subsidiary of Compañía Pesquera Camanchaca S.A. following a reorganization of the salmon business within the Group. Therefore, the latter company increased its share capital. This increase was paid for by all the shareholders in Salmones Camanchaca S.A. transferring all their shares, except one, to Compañía Pesquera Camanchaca S.A. The remaining share belonged to Inmobiliaria Camanchaca Ltda.

The financial statements of Salmones Camanchaca S.A. for the year ended December 31, 2016 were approved by the Board of Directors at a meeting held on September 25, 2017.

Salmones Camanchaca S.A. has participated since 2016 as a "participant" in a joint venture partnership to produce and market trout. It has contributed maritime concessions to this partnership. The "Manager" of this joint venture partnership is Caleta Bay S.A. and the other partner is Kabsa S.A. Partnership net income is divided in equal parts between these three partnership companies.

The Company is a major market player in the salmon farming business. The principal characteristic of Salmones Camanchaca is its fully integrated value chain, including the genetic development of breeders and all the facilities required to produce fry, smolts and sea grow-out sites; primary and value-added processing plants; and sales and marketing using its own overseas sales channels or those belonging to its parent company, Compañía Pesquera Camanchaca S.A., in the USA, Japan, China and representation agencies in Mexico.

The main formats for selling Atlantic Salmon are Trim C, D, and E, HG and Hon fillets, in 4, 5, 6, and 8 oz. portions. The company prepares its products in plants located in the VIII and X regions. They are mainly sold into the North American, Japanese and Brazilian markets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used to prepare the financial statements of Salmones Camanchaca S.A. have been applied in a uniform manner, and are described as follows.

2.1 Period covered

These financial statements cover the following periods:

- Classified statements of financial position as of December 31, 2016, 2015 and 2014.
- Statements of net income by function for the years ended December 31, 2016, 2015 and 2014.
- Statements of comprehensive income for the years ended December 31, 2016, 2015 and 2014.
- Statements of cash flows, direct method for the years ended December 31, 2016, 2015 and 2014.
- Statements of changes in equity for the years ended December 31, 2016, 2015 and 2014.

2.2 Basis of preparation

These financial statements of Salmones Camanchaca S.A. as of December 31, 2016 were prepared in accordance with International Financial Reporting Standards (IFRS). In compliance with regulations and instructions issued by the Chilean Superintendent of Securities and Insurance (SVS), additional disclosures are included in the notes to the financial statements. These are additions to and not deviations from IFRS.

The presentation of the financial statements in accordance with IFRS requires the use of specific accounting estimates and requires management to exercise its judgment when implementing the Company's accounting policies. Note 5 of these financial statements discloses the areas that involve a higher degree of judgment and complexity, where the assumptions and estimates have a significant effect on the financial statements.

These financial statements of Salmones Camanchaca S.A. have been prepared from accounting records held by the Company. The figures in these financial statements are expressed in thousands of US dollars, which is the Company's functional currency.

There are no significant uncertainties regarding events or conditions as of the reporting date that may cast doubt on the Company's ability to continue functioning normally as a going concern.

2.3 New accounting pronouncements

- a) The following standards, interpretations and amendments are mandatory for the first time for financial periods beginning on or after January 1, 2016.

Standards and Interpretations

IFRS 14 "Regulatory Deferral Accounts"- issued in January 2014. Provisional standard regarding accounting for balances arising from rate regulated transactions ("Regulatory Deferral Accounts"). This standard is applicable only to the entities that apply IFRS 1 as first-time adopters.

Amendments and improvements

Amendment to IFRS 11 "Joint Arrangements", on the acquisition of a stake in a joint operation - issued in May 2014. This amendment incorporates a guide into the standard on to how to account for the acquisition of a stake in a joint operation that constitutes a business.

Amendment to IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets", on depreciation and amortization - issued in May 2014. Clarifies that revenue is generally an inappropriate basis for measuring the consumption of the financial benefits embedded in an intangible asset or item of property, plant and equipment and, therefore, there is a rebuttable presumption that a revenue based method of depreciation or amortization is not appropriate.

Amendment to IAS 16 "Property, plant and equipment" and IAS 41 "Agriculture", regarding bearer plants - issued in June 2014. This amendment amends the financial information in relation to "bearer plants" (e.g. vines, fruit trees, etc.). The amendment defines the concept of "bearer plants" and establishes that they should be treated as property, plant and equipment, as their function is similar to manufacturing. Therefore, they are included within the scope of IAS 16, instead of IAS 41. Products that are grown on bearer plants stay within the scope of IAS 41.

Amendment to IAS 27 "Separate Financial Statements" - issued in August 2014. This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

Amendment to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - issued in December 2014. The amendment clarifies that investment entities and their subsidiaries are exempt from consolidation. The amendment to IFRS 10 clarifies the consolidation exception is available for entities in group structures that include investment entities. The amendment to IAS 28 allows an entity that is not an investing entity, but has a share of a joint venture or associate that is an investing entity, a choice of when to apply the equity method. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or instead to perform a consolidation at the level of the investment entity associate or joint venture.

Amendment to IAS 1 "Presentation of Financial Statements" - issued in December 2014. Clarifies guidance for IFRS 1 on materiality and aggregation, presentation of subtotals, structure of the financial statements and disclosure of accounting policies. The amendments are part of the IASB's Disclosure Initiative.

Improvements to International Financial Reporting Standards (2014) Issued in September 2014.

IFRS 5 "Non-Current Assets held for Sale and Discontinued Operations". The amendment clarifies that when an asset (or disposal group) is reclassified between the categories "held for sale" and "held for distribution"; this does not constitute a change of plan and does not have to be accounted for as such. This means that the asset (or disposal group) does not need to be reinstalled in the financial statements as if it never had been classified as "held for sale" or "held to distribute", simply because the disposal conditions have changed. The amendment also corrects an omission in the standard, explaining that the guide on changes to a sales plan should be applied to an asset (or disposal group) which is no longer being held for distribution, but that will not be reclassified as "held for sale".

IFRS 7 Financial "Instruments: Disclosures". There are two amendments to IFRS 7. (1) Service contracts: If an entity transfers a financial asset to a third party under conditions that allow the transferor to dispose of the asset, IFRS 7 requires the disclosure of any continuing involvement that this entity retains in the transferred asset. IFRS 7 provides guidance on what is meant by continuing involvement in this context. The amendment is prospective with the option to apply it retroactively. It also applies to IFRS 1 and gives the same option to those who apply IFRS for the first time. (2) Interim financial statements: The amendment clarifies that the additional disclosure required by the amendments to IFRS 7, "Offsetting financial assets and financial liabilities" are not specifically required for all interim periods, unless required by IAS 34. The amendment is retroactive.

IAS 19, "Employee Benefits" - The amendment clarifies that in order to select the discount rate for post-employment benefit obligations, the important differentiator is the currency in which the liabilities are denominated, and not the country where they are generated. The assessment of whether there is a large market of high quality corporate bonds is based on the corporate bonds in that currency, not in corporate bonds in a particular country. Similarly, where there is a large market of high quality corporate bonds in that currency, government bonds in the corresponding currency should be used. The amendment is retroactive, but limited to the beginning of the first period presented.

IAS 34 "Interim Financial Reporting" - Clarifies what is meant by the reference in the standard to "information disclosed in another part of the interim financial information". The new amendment modifies IAS 34 to require a cross reference from the interim financial statements to the location of that information. The amendment is retrospective.

The adoption of the standards, amendments and interpretations described above, do not have a significant impact on the Company's financial statements.

b) Standards, interpretations and amendments issued, but not yet mandatory and which have not been adopted early.

Standards and Interpretations	Mandatory for annual periods beginning
IFRS 9 "Financial Instruments" - issued in July 2014. The IASB has issued the full version of IFRS 9, which replaces the guidance in IAS 39. This final version includes the classification and valuation requirements of financial assets and liabilities and a model of expected credit losses that replaces the current impairment loss model. The part relating to hedge accounting within this final version of IFRS 9 had already been published in November 2013. Early adoption is permitted.	01/01/2018
IFRS 15 "Revenue from Contracts with Customers" - issued in May 2014. It establishes the principles applicable to information disclosures in financial statements in relation to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The basic principle is that an entity recognizes revenue that represents the transfer of goods or services promised to customers for an amount that reflects the consideration, which the entity expects to receive in exchange for those goods or services. It replaces IAS 11 Construction Contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programs; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers, and SIC-31 Revenue – Barter Transactions Involving Advertising Services. Early implementation is permitted.	01/01/2018
IFRS 16 "Leases" - issued in January 2016. Establishes the standards to recognize, measure, present and disclose leases. IFRS 16 replaces IAS 17 and introduces a unique lessee accounting model that requires a lessee to recognize the assets and liabilities of all rental contracts with a term of over 12 months, unless the underlying asset is of low value. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, and early application is permitted for entities that apply IFRS 15 or before the date that IFRS 16 is initially applied.	01/01/2019

Standards and Interpretations	Mandatory for annual periods beginning 01/01/2018
IFRIC 22 "Transactions in Foreign Currency and Advance Payments" - issued in December 2016. This Interpretation applies to a foreign currency transaction (or part of it) when an entity recognizes a non-financial asset or liability that arises from the payment or collection of an advance payment before the entity recognizes the related asset, expense or income (or part of it). The interpretation provides a guide for a single payment / receipt, as well as for situations involving multiple payments / receipts. The guidance aims to reduce diversity in practice.	
Amendments and improvements	Mandatory for annual periods beginning
Amendments to IAS 7 "Statement of Cash Flow" - issued in February 2016. The amendment introduces additional disclosure that enables users of financial statements to evaluate changes in obligations from financing activities.	01/01/2017
Amendment to IAS 12 "Income Tax" - issued in February 2016. The amendment clarifies how to account for deferred tax assets relating to debt instruments valued at fair value.	01/01/2017
Amendment to IFRS 2 "Share-based Payments" - issued in June 2016. The amendment clarifies the measurement of share-based payments settled in cash and the accounting of changes to such payments when they are settled with equity instruments. Additionally, it introduces an exception to the principles of IFRS 2 that will require accounting for these awards as if they were fully settled as equity instruments, when the employer is obliged to withhold tax related to share-based payments.	01/01/2018
Amendment to IFRS 15 "Revenue from Contracts with Customers" - issued in April 2016. The amendment introduces clarifications to the guide that identifies performance obligations in contracts with customers, accounting for intellectual property licenses and the evaluation of principal versus agent (gross versus net income presentation). It includes new and amended illustrative examples as a guide, as well as practical examples related to the transition to the new revenue standard.	01/01/2018
Amendment to IFRS 4, "Insurance Contracts", with regard to applying IFRS 9 "Financial Instruments" - issued in September 2016. The amendment introduces two approaches: (1) Overlay approach, which gives all companies that emit insurance contracts the option to recognize in other comprehensive income, instead of gains and losses the volatility that could arise when IFRS 9 is applied under the new insurance contracts standard; and (2) Temporary waiver of IFRS 9, that enables companies whose business is predominantly related to insurance, to optionally waive IFRS 9 until 2021, and continue applying IAS 39 until then.	01/01/2018

Amendments and improvements	Mandatory for annual periods beginning
Amendment to IAS 40 "Investment properties", relating to investment property transfers. - issued in December 2016. The amendment clarifies that there must be a change in use to transfer to or from an investment property. To conclude, a change in use of a property must be supported by an evaluation and evidence to ensure that the property change complies with the definition.	01/01/2018
Amendment to IFRS 1 "First-time adoption of IFRS" regarding suspending short-term exceptions for first time adopters with respect to the IFRS 7, IAS 19 and IFRS 10. - issued in December 2016.	01/01/2018
Amendment to IFRS 12 "Disclosures of Interests in Other Entities" - issued in December 2016. The amendment clarifies the scope of this standard. These amendments must be applied retroactively to annual periods beginning on or after January 1, 2017.	01/01/2018
Amendment to IAS 28 "Investments in associates and joint ventures", relating to measuring the associate or joint venture at fair value - issued in December 2016.	01/01/2018
Amendment to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - issued in September 2014. This amendment addresses an inconsistency between the requirements of IFRS 10 and IAS 28 in the treatment of the sale or provision of goods between an investor and its associate or joint venture. The main consequence of these amendments is that they recognize a full gain or a loss when the transaction involves a business (whether or not in a subsidiary) and a partial gain or loss when the transaction involves assets that do not constitute a business, even if these assets are in a subsidiary.	Undetermined

Management believes that the future adoption of the above standards, amendments and interpretations will have no significant impact on the Company's financial statements when they are first applied. However, it is particularly analyzing the effects of implementing IFRS 9, 15 and 16.

2.4 Associates

Associates are defined as all entities over which the Company exercises significant influence but does not control its financial and operational policies. It generally has an interest in the voting rights of between 20% and 50%. Investments in associates are accounted for using the equity method and are initially recognized at cost.

Salmones Camanchaca S.A.'s share in net income or losses subsequent to acquiring its associates are recognized in net income, and its share of equity movements (that are not due to net income) subsequent to the acquisition are recognized in reserves, and reflected as appropriate in the statement of comprehensive income. When the Company's share of an associate's losses is equal to or greater than its share in that company, including any other unsecured receivables, the Company does not recognize further losses unless it has incurred obligations or made payments on behalf of that associate.

Unrealized gains on transactions between Salmones Camanchaca S.A. and its associates are eliminated according to the Company's percentage interest in them. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the transferred asset.

2.5 Operating segment reporting

IFRS 8 requires entities to adopt "Management's approach" when disclosing information about the outcome of their operating segments. In general, this is the information that Management uses internally to evaluate segment performance and to allocate resources to segments.

Salmones Camanchaca S.A. has only one operating segment, therefore it has not opened other segments, according to this standard.

2.6 Foreign currency transactions

a) Presentation currency

The items included in the Company's financial statements are valued using the currency of the principal economic environment in which the entity operates (functional currency), which is also the presentation currency for the statements of financial position.

b) Functional currency

Based on the instructions and definitions provided in IAS 21, functional currency is the currency of the primary economic environment in which the entity operates.

Therefore, the Company has established that the conditions that support the functional currency are as follows.

Factors	Currency
The currency that primarily influences the selling prices of goods and services; normally the price used to describe and pay for them.	US dollar ¹
The currency that principally affects the costs of labor, materials and other costs to produce goods or provide services, normally the price used to describe and pay for such costs.	US dollar and Chilean peso ²
The currency used to collect receipts for billed operational activities.	US dollar

The following aspects were also considered when selecting the Company's functional currency.

- The currency used by the Company's financing activities, such as bank obligations and equity, is the US dollar.
- The currency primarily used to invest the receipts from the Company's billed operational activities is the US dollar.

Therefore, the Company considers that under the current circumstances the functional currency of Salmones Camanchaca S.A. is the US dollar.

¹ US dollar

² Chilean peso

c) Transactions and balances

Transactions in foreign currencies other than the functional currency are converted to the functional currency using the exchange rate in effect as of the transaction date. Gains and losses on foreign currencies resulting from settling these transactions, and the conversion of monetary assets and liabilities denominated in foreign currencies at closing rates, are recognized in the statement of net income.

d) Exchange rates

The company has converted its monetary assets and liabilities, using the following exchange rates to the US dollar.

Date	CLP/USD	UP/USD	EUR/USD	JPY/USD	NOK/USD
12-31-2016	669.47	0.0254	0.9488	116.8360	8.6227
12-31-2015	710.16	0.0277	0.9168	120.59	8.8110
12-31-2014	606.75	0.0246	0.8221	119.3500	7.4339

2.7 Property, plant and equipment

The Company's property, plant and equipment is made up of land, building, infrastructure, machinery, equipment and other fixed assets. The main types of property, plant and equipment are Production plants, naval equipment (pontoons), hatchery centers and fattening centers.

Land, buildings, plants, equipment and machinery are recognized at their historical cost less depreciation. Historical cost includes the fair value, which is attributed cost according to IFRS 1. This historical cost includes expenditure that is directly attributed to acquiring the asset.

Subsequent costs are included in the initial value of the asset, or recognized as a separate asset, only when it is likely that the future financial benefits associated with these components will flow to the Company and the cost of these components can be determined reliably. The value of the replaced component is expensed.

Land is not depreciated.

Depreciation of other items of property, plant and equipment is calculated using the straight-line method, in order to allocate their cost over their estimated technical useful lives.

	Years
Constructions	10 - 50
Infrastructure	10
Machinery	3 - 20
Equipment	5 - 20
Vehicles	7 - 10
Furniture and accessories	3 - 10

The residual value and useful life of these assets are reviewed and adjusted when necessary at each reporting date.

When the book value of an asset is greater than its estimated recoverable value, its book value is immediately reduced to its recoverable value.

Losses and gains on sales of assets are calculated by comparing the proceeds with the book value, and presented in the statement of net income.

2.8 Biological assets

Biological assets include the following.

Biological assets that include groups or families of breeders, such as eggs, smolts, fish being fattened at sea, are valued at initial recognition and subsequently at their fair value, less estimated selling costs, except where their fair value cannot be reliably measured, in accordance with IAS 41. Therefore, in the first instance an active market for these assets is sought.

As there is no active market for live fish at all their stages, they are valued as freshwater fish, such as breeders, eggs, fry and smolts, using their cumulative costs at the reporting date.

The valuation criteria for fish that are being fattened is fair value. This is understood to be their market price less their estimated processing and selling costs. There is a market for fish being fattened that are over a certain size, which is 4.00kg for Atlantic Salmon. The market price is used in both cases, adjusted appropriately for each group in the sea at the reporting date, from which the harvesting, processing, packaging, distributing and selling costs are deducted. The volume is adjusted for process wastage.

Smaller fish are valued at cost, and are subject to impairment testing.

Changes in the fair value of biological assets are recorded in the statement of net income for the year.

Biological assets that will be harvested in the next 12 months are classified as current biological assets.

The gain or loss on the sale of these assets may vary in comparison to their calculated fair value at the reporting date.

The Company uses the following method.

Stage	Asset	Valuation
Fresh Water	Eggs, fry, smolts and breeders	Direct and indirect cumulative costs at their various stages.
Sea Water	Salmon	Fair Value, as there is a market with reference prices and companies that sell these assets. In the absence of a market, accumulated cost at the reporting date, net of impairment, (which is applied and recorded as appropriate.)

- Valuation model

Each group of fish is valued and uses the biomass of fish at the end of each month. The detail includes the total number of fish being fattened, their estimated average weight and the cost of fish biomass. The value is estimated from the average weight in that biomass, which in turn is multiplied by the market price per kilo. The market price is normally obtained from published international prices.

- Assumptions used to calculate the fair value of fish being fattened

The estimated fair value of fish biomass is based on the following items: volume of fish biomass, average biomass weight, weight distribution at harvest and market prices.

- Volume of fish biomass

The volume of fish biomass is based on the number of smolts in the sea, their estimated growth and their mortality during the year, etc. Uncertainty with respect to the volume of biomass is normally lower in the absence of mass mortality events or acute diseases during the cycle.

- Distribution of harvest weights

Fish grow at various rates, so there is always a wide variation in the quality and size of the fish around the average. The distribution of fish quality and size is important, as these attract different prices on the market.

The value of fish biomass is based on a normal weight distribution.

- Market Prices

Salmones Camanchaca S.A. calculates fair value using the price of products in representative markets that can be obtained from frequently published independent external sources.

Therefore, the reference prices for Atlantic Salmon are published by Urner Barry Publications Inc. in their report "Urner Barry's Seafood Price-Current" based on transactions of at least 3,500 pounds. The price used is the FOB price of "Trim D" fresh fillet, from Chile to Miami (USA).

Urner Barry is a business editor specializing in timely, reliable and impartial news and market quotations for customers in segments related to the food industry, through a variety of printed and virtual media.

- Hierarchy

Fair value hierarchy is determined according to the data source, according to the IFRS 13. The Company's valuation model uses hierarchy level III. The most significant unobserved variable is the average weight for both species.

2.9 Intangible assets other than goodwill

a) Aquaculture concessions

Aquaculture concessions acquired from third parties are presented at historical cost. The useful life of concessions is indefinite, because they have no expiry date or a foreseeable lifetime, so they are not amortized. This status of indefinite useful life is reviewed at each reporting date, in order to assess whether events and circumstances continue to support an indefinite useful life for that asset. These assets undergo impairment testing on a yearly basis.

b) Research and development expenses

Research costs are expensed when incurred. The directly attributable costs of development projects relate to the design and testing of new or improved products. These are recognized as intangible assets when the following criteria are met.

- It is technically feasible to complete the intangible asset, to the point where it can be used or sold.
- Management intends to complete the intangible asset, and to use or sell it.
- The Company has the ability to use or sell it.
- The Company can demonstrate how the intangible asset is likely to generate financial benefits in the future.
- The Company has sufficient technical, financial or other resources, to complete development and to use or sell the intangible asset.
- The expenditure attributable to developing the intangible asset can be reliably measured.

2.10 Staff vacations

The Company recognizes the expense for staff vacations using the accrual method, which is recorded at its nominal value. The staff vacation benefit does not represent a significant amount in the statement of comprehensive income.

2.11 Impairment losses on non-financial assets

Assets with indefinite useful lives are not amortized and are tested yearly for impairment losses. Amortized assets are tested for impairment whenever an event or change in circumstances indicates that their book value may not be recoverable. An impairment loss is recognized for the amount by which the asset's book value exceeds its recoverable value. The recoverable value is the greater of the fair value of an asset less selling costs, or its value in use. Impairment is assessed by grouping assets at the lowest levels at which they generate separately identifiable cash flows (cash-generating units). Non-financial assets that have been impaired are reviewed at every reporting date to identify whether any reversals have occurred.

2.12 Financial assets

The Company classifies its financial assets into the following categories: at fair value through net income, loans and receivables, assets held-to-maturity and assets held-for-sale. The classification depends on why the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition.

Classification of financial assets

a) Financial assets at fair value through net income

Financial assets at fair value through net income are financial assets held for trading. A financial asset is classified in this category if acquired principally to sell in the short term. Assets in this category are classified as current assets.

The Company records the following financial assets in this category:

- Mutual funds
- Investment covenants

b) Trade and other receivables

Receivables are recognized at their nominal value and are non-derivative financial assets with a fixed or determinable value and without a market price. Those assets that will mature in less than 12 months are classified as current assets. Those assets that will mature in greater than 12 months are classified as non-current assets.

The Company records sales receivables and other receivables in this category. They are initially recognized at fair value, recognizing a financial result for the period between their recognition and subsequent valuation. Sales receivables and other receivables are valued at their nominal value, as the Company collects these over a short period.

c) Valuation of financial assets

Purchases and sales of financial assets are recognized as of the transaction date, i.e. the date when the Company commits to purchase or sell the asset.

- Initial recognition: Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through net income. Financial assets at fair value through net income are initially recognized at fair value and transaction costs are expensed.
- Subsequent valuation: Financial assets at fair value through net income are subsequently recorded at fair value.

Investments are derecognized when the rights to receive cash flows from an investment have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets may be impaired.

2.13 Inventories

Inventory is valued at its cost or net realizable value, whichever is lower. Cost is calculated using the average cost method.

The cost of finished and in-process products includes the costs of raw materials, direct labor, other direct costs and general manufacturing expenses, based on normal operating capacity, but excluding interest.

Net realizable value is the estimated sales price during the normal course of business, less any variable selling costs.

The Company reviews its inventories at each reporting date, in order to provide for any obsolete or slow-moving products that should be recognized at their recoverable value.

2.14 Trade and other receivables

Trade receivables are initially recognized at fair value (nominal value including implicit interest), and they are subsequently recognized at their amortized cost according to the effective interest rate method, less provisions for impairment losses.

Implicit interest must be disaggregated and recognized as financial income to the extent that such interest has accrued.

The provision is the difference between the asset's book value and the present value of its estimated future cash flows, discounted using the effective interest rate.

However, if the difference between the nominal value and the fair value is not significant, the nominal value is used.

Doubtful debt provisions on trade and other receivables are based on a stratification of the customer portfolio and the age of those debts. An individual analysis is performed for those cases that have exceeded the normal collection period and the Company believes that collection is doubtful.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash balances; time deposits in credit entities; other liquid, short-term investments originally maturing in less than three months; and bank overdrafts.

2.16 Share capital

Share capital is represented by ordinary shares.

Incremental costs directly attributable to new share issues or options are presented in net equity as a deduction from their proceeds.

Legal minimum dividends on ordinary shares are recognized as a reduction in equity when they are accrued.

2.17 Trade and other payables

Trade payables are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method.

However, similarly to trade receivables, if the difference between the nominal value and the fair value is not significant, the nominal value is used.

2.18 Interest-bearing loans

Obligations to banks and financial institutions are initially recognized at fair value, net of transaction costs. Subsequently, loans are valued at their amortized cost. Any difference between the proceeds, net of any transactions costs, and their repayable value, is recognized in the statement of net income during the loan term, in accordance with the effective interest rate method. The effective interest rate method applies the interest rate that exactly matches the discounted future repayments to the initial net value of the liability.

2.19 Income and deferred taxes

Income tax expense for the year includes both current and deferred taxes.

Current income taxes are based on the tax laws at the reporting date.

Deferred taxes are calculated using the liability method on temporary differences that arise between the tax value of assets and liabilities and their book values. However, if deferred taxes arise from the initial recognition of a liability or an asset in a transaction other than a business combination, which at the time of the transaction do not affect accounting net income nor taxable profit, then they are not accounted for.

Deferred tax is calculated using the current tax rates and laws, or those about to be approved at the reporting date, which are likely to be applicable when the corresponding deferred tax asset is collected or deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is likely that future tax benefits are available to offset such temporary differences.

Current and deferred income taxes are recognized in the statement of net income, except for taxes arising on items recognized in other comprehensive income, directly in equity, or on a business combination. In which case, the corresponding tax is also recognized in other comprehensive income, directly in the statement of net income, or in commercial goodwill, respectively.

2.20 Employee benefits

a) Severance indemnities

This liability is the present value of defined benefit obligations at the reporting date. It is calculated annually using actuarial assumptions and by discounting the corresponding estimated cash flows. Gains and losses that arise from adjustments that reflect experience and changes in actuarial assumptions are charged or credited to the statement of net income or equity, depending on their nature, in the period in which they arise.

The parameters used in the actuarial valuation model are as follows: mortality and invalidity rates, discount rates, salary growth rates and staff turnover rates due to resignations.

2.21 Provisions

Provisions are recognized when:

- i) The Company has a legal or implicit obligation, as a result of past events.
- ii) It is likely that a disbursement will be necessary to settle the obligation.
- iii) The amount can be reliably estimated.
- iv) Provisions are measured at the present value of Management's best estimate of the expenditures required to settle the obligation. The discount rate used to calculate the present value reflects current market assessments at the reporting date of the time value of money, as well as any specific risks related to the particular liability.

2.22 Revenue recognition

Revenue includes the fair value of consideration received or to be received for the sale of goods and services in the ordinary course of the Company's business. Revenue is presented net of value added tax, and any refunds, rebates and discounts.

The Company recognizes revenue when its value can be reliably measured, it is probable that future financial benefits will flow to the Company, and conditions specific to each of the Company's businesses have been met, as follows.

a) Sales of goods

Sales of goods are recognized when the Company has transferred the risks and rewards of owning those products to the customer, who has accepted them, their value can be reliably calculated and it is likely that this amount will be collected.

The Company generally conducts export sales using Incoterms 2010. These are the official regulations for interpreting the trade terms issued by the International Chamber of Commerce.

The revenue recognition structure is based on Incoterm's groups, and the principal groups used by Salmones Camanchaca are:

- "CFR (Cost and Freight) and similar", where the Company is responsible for all costs, including principal transport costs, until the goods arrive at the destination port. Risk is transferred to the purchaser when the goods are loaded onto the ship, in the country of origin.
- "CIF (Cost, Insurance & Freight) and similar", where the Company manages and pays the foreign transport costs and some of the other expenses, although the Company is no longer responsible for the goods once they have been delivered to the maritime or air shipping company, within the corresponding deadline. Consequently, the sale is complete when the goods are delivered to the carrier hired by the seller to transport them to the destination.
- "FOB (Free on Board) and similar", where the buyer manages and pays the transport costs. Therefore, the sale is complete when the goods are delivered to the carrier hired by the purchaser.

If any discrepancy arises between the commercial agreement and the Incoterms that apply to the transaction, the commercial agreements will prevail.

b) Interest income

Interest income is recognized on the proportion of elapsed time, using the effective interest rate method.

c) Services provided

Revenue from services are recorded when the service has been provided. A service is considered as provided when the customer confirms satisfactory completion.

2.23 Leasing

a) When the Company is the lessee - Operating leases

Leases in which the lessor conserves a significant part of the risks and rewards of ownership of the good are classified as operating leases. Payments for operating leases, net of any incentive received from the lessor, are charged to the statement of net income on a straight-line basis over the lease term.

b) When the Company is the lessor - Operating leases

Assets leased to third parties under operating lease contracts are included in property, plant and equipment or investment property, as appropriate.

Income from operating leases is recognized in the statement of net income on a straight-line basis over the lease term.

2.24 Dividend policy

The Company has defined the following dividend policy, in accordance with its by-laws.

Financial statements shall be prepared as of December 31 each year.

Net income for the year will be distributed as follows.

a) No less than thirty percent to be distributed as a dividend in cash to shareholders, in proportion to their shares.

b) The balance to be used to form reserves, as agreed by an Annual General Shareholders' Meeting.

As the Company has accumulated losses, any net income that arises will be used to absorb such losses.

2.25 Environment

The disbursements associated with improvements and investments in productive processes that improve environmental conditions are recorded as an expense or investment in the year in which they arise. When these disbursements are part of investment projects, they are recorded as increases to property, plant and equipment.

The Company has established the following disbursements for environmental protection projects.

- a) Disbursements relating to improvements and investments in productive processes that improve environmental conditions.
- b) Disbursements relating to verifying and monitoring regulations and laws covering industrial processes and facilities.
- c) Other disbursements that affect the environment.

NOTE 3 - FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to various financial risks: credit risk, liquidity risk, interest rate risk and market risk.

The Company identifies and manages those risks in the most appropriate manner with the objective of minimizing any potential adverse effects. Where the Parent Company has a controlling interest, Corporate Management provides a centralized service to group companies, in order to manage the financial risks faced by each business.

3.1. Credit risk

- a) Surplus cash investment risk

The Company has defined a low-risk policy for investing cash surpluses. This policy encompasses both the quality of financial institutions and the type of financial products used.

- b) Customer portfolio risk

The Company has no customers in arrears but not impaired as of the reporting date.

- i. Exposure: As of December 31, 2016, 2015 and 2014 the Company's financial assets by the category that best represents its maximum exposure to credit risk without considering guarantees, are as follows.

As of December 31, 2016

Classification	Group	Type	Note	Book Value ThUS\$
Loans and receivables	Cash and cash equivalents	Cash balances	6	51
Loans and receivables	Cash and cash equivalents	Bank balances	6	1,591
Loans and receivables	Other financial assets, current	Other financial assets, current		2
Loans and receivables	Trade and other receivables	Trade and other receivables	7	27,684
Loans and receivables	Related party receivables	Related party receivables	8	15,547
Loans and receivables	Other financial assets, non-current	Other financial assets, non-current		27

As of December 31, 2015

Classification	Group	Type	Note	Book Value ThUS\$
Loans and receivables	Cash and cash equivalents	Cash balances	6	59
Loans and receivables	Cash and cash equivalents	Bank balances	6	1,715
Loans and receivables	Other financial assets, current	Other financial assets, current	-	11
Loans and receivables	Trade and other receivables	Trade and other receivables	7	19,891
Loans and receivables	Related party receivables	Related party receivables	8	15,563
Loans and receivables	Other financial assets, non-current	Other financial assets, non-current	-	27

As of December 31, 2014

Classification	Group	Type	Note	Book Value ThUS\$
Loans and receivables	Cash and cash equivalents	Cash balances	6	42
Loans and receivables	Cash and cash equivalents	Bank balances	6	3,455
Loans and receivables	Cash and cash equivalents	Other financial assets		28
Loans and receivables	Trade, rights and other receivables, current	Trade, rights and other receivables, current	7	22,894
Loans and receivables	Related party receivables	Related party receivables	8	18,226
Loans and receivables	Related party receivables	Related party receivables		27

b) Sales risk

The Company uses the usual tools operating in the industry to market its products. These are contracted with recognized and qualified insurance companies and financial institutions. These tools are insurance policies covering credit, transport and cargo, confirmation of letters of credit, etc. Where the Company directly performs collections, this is substantiated by a long-term business relationship, a full record of payment behavior and recognized financial solvency.

The Company has established policies to ensure that product sales on credit are made to customers with an appropriate credit history. The Company mostly sells into the wholesale market, and export sales are supported by letters of credit. Domestic sales are preferably to customers with an appropriate credit history.

3.2. Liquidity risk

The Company's liquidity risks arise from a shortfall of funds for operating costs, finance costs, investments, debt repayments and dividends, compared its sources. This risk is mitigated through prudent liquidity management, which involves holding sufficient cash and marketable securities, together with balanced bank financing.

Capital and interest commitments over the terms of bank loans and other commitments are as follows.

a) As of December 31, 2016

	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Interest-bearing loans	-	13,494	105,300	-	118,794
Trade and other payables	22,185	6,636	128	-	28,949
Related party payables, current	1,863	30,949	-	-	32,812
Related party payables, non-current	-	-	-	36,372	36,372
Total	24,048	51,079	105,428	36,372	216,927

b) As of December 31, 2015

	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Interest-bearing loans	-	13,280	117,927	-	131,207
Trade and other payables	38,179	9,563	-	-	47,742
Related party payables, current	4,561	30,166	-	-	34,727
Related party payables, non-current	-	-	-	60,924	60,924
Total	42,740	53,009	117,927	60,924	274,600

c) As of December 31, 2014

	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Interest-bearing loans	241	11,796	129,634	-	141,671
Trade and other payables	34,193	6,590	262	-	41,045
Related party payables, current	2,849	28,434	-	-	31,283
Related party payables, non-current	-	-	-	45,012	45,012
Total	37,283	46,820	129,896	45,012	259,011

3.3. Market risk

a) Exchange rate risk

The Company has defined the US dollar as its functional currency. Therefore, it is exposed to exchange rate risk on transactions in Chilean pesos. The exchange rate risk arises on planned commercial transactions, and on assets and liabilities held in Chilean pesos.

The Company has a net liabilities balance in Chilean pesos as of December 31, 2016 totaling ThUS\$ 9,338. Therefore, an increase of 5% in the exchange rate results in an exchange gain of ThUS\$ 467, while a decrease of 5% in the exchange rate results in an exchange loss of the same amount.

b) Interest rate risk

Movements in interest rates modify the expected cash flows on assets and liabilities that are subject to variable interest rates.

The Company is exposed to interest rate risks, since its long-term financing is at a variable interest rate, which is amended every six months.

The Company has a total of ThUS\$ 110,407 in bank liabilities denominated in US dollars as of December 31, 2016. Sensitivity analysis on the interest rates for bank loans reveal that a 1%pa movement in interest rates at the reporting date would result in additional or lower interest costs of ThUS\$ 1,104, as appropriate.

NOTE 4 – FINANCIAL INSTRUMENTS

The Company has financial instruments as of December 31, 2016 valued at their fair value as shown in the following table, and there are no differences between their fair value and book value.

	12-31-2016		12-31-2015		12-31-2014	
	Book Value ThUS\$	Fair Value ThUS\$	Book Value ThUS\$	Fair Value ThUS\$	Book Value ThUS\$	Fair Value ThUS\$
Cash and cash equivalents						
Cash balances	51	51	59	59	42	42
Bank balances	1,591	1,591	1,715	1,715	3,455	3,455
Other financial assets, current	2	2	11	11	28	28
Trade and other receivables	27,684	27,684	19,891	19,891	22,894	22,894
Related party receivables	15,547	15,547	15,563	15,563	18,226	18,226
Other financial assets, non-current	27	27	27	27	27	27
Other financial liabilities, current	10,554	10,554	10,815	10,815	9,461	9,461
Trade and other payables	28,821	28,821	47,742	47,742	40,783	40,783
Related party payables, current	32,812	32,812	34,727	34,727	31,283	31,283
Other financial liabilities, non-current	99,917	99,917	110,145	110,145	120,373	120,373
Payables, non-current	128	128	-	-	262	262
Related party payables, non-current	36,372	36,372	60,924	60,924	45,012	45,012

Financial instruments as of December 31, 2016, according to the categories specified in IAS 39, are as follows.

	Financial assets at fair value through net income ThUS\$	Financial assets held to maturity ThUS\$	Cash and cash equivalents, loans and receivables ThUS\$	Financial assets held for sale ThUS\$	Total ThUS\$
Cash and cash equivalents					
Cash balances	-	-	51	-	51
Bank balances	-	-	1,591	-	1,591
Other financial assets, current	-	-	2	-	2
Trade and other receivables	-	-	27,684	-	27,684
Related party receivables	-	-	15,547	-	15,547
Other financial assets, non-current	-	-	27	-	27

	Fair value through net income ThUS\$	Hedging instruments ThUS\$	Financial liabilities at amortized cost ThUS\$	Total ThUS\$
Other financial liabilities	-	-	10,554	10,554
Trade and other payables	-	-	28,821	28,821
Related party payables, current	-	-	32,812	32,812
Other financial liabilities, non-current	-	-	99,917	99,917
Payables, non-current	-	-	128	128
Related party payables, non-current	-	-	36,372	36,372

Financial instruments as of December 31, 2015, according to the categories specified in IAS 39, are as follows.

	Financial assets at fair value through net income ThUS\$	Financial assets held to maturity ThUS\$	Cash and cash equivalents, loans and receivables ThUS\$	Financial assets held for sale ThUS\$	Total ThUS\$
Cash and cash equivalents					
Cash balances	-	-	59	-	59
Bank balances	-	-	1,715	-	1,715
Other financial assets, current	-	-	11	-	11
Trade and other receivables	-	-	19,891	-	19,891
Related party receivables	-	-	15,563	-	15,563
Other financial assets, non-current	-	-	27	-	27

	Fair value through net income ThUS\$	Hedging instruments ThUS\$	Financial liabilities at amortized cost ThUS\$	Total ThUS\$
Other financial liabilities	-	-	10,815	10,815
Trade and other payables	-	-	47,742	47,742
Related party payables, current	-	-	34,727	34,727
Other financial liabilities, non-current	-	-	110,145	110,145
Related party payables, non-current	-	-	60,924	60,924

Financial instruments as of December 31, 2014, according to the categories specified in IAS 39, are as follows.

	Financial assets at fair value through net income ThUS\$	Financial assets held to maturity ThUS\$	Cash and cash equivalents, loans and receivables ThUS\$	Financial assets held for sale ThUS\$	Total ThUS\$
Cash and cash equivalents					
Cash balances	-	-	42	-	42
Bank balances	-	-	3,455	-	3,455
Other financial assets, current	-	-	28	-	28
Trade and other receivables	-	-	22,894	-	22,894
Related party receivables	-	-	18,226	-	18,226
Other financial assets, non-current	-	-	27	-	27

	Fair value through net income ThUS\$	Hedging instruments ThUS\$	Financial liabilities at amortized cost ThUS\$	Total ThUS\$
Other financial liabilities	-	-	9,461	9,461
Trade and other payables	-	-	40,783	40,783
Related party payables, current	-	-	31,283	31,283
Other financial liabilities, non-current	-	-	120,373	120,373
Related party payables, non-current	-	-	45,012	45,012

NOTE 5 - SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The estimates and judgments used are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable based on the circumstances.

The Company's main accounting estimates as follows.

a) Biomass of biological assets

The fish biomass estimate will always be based on assumptions, even though the Company has ample experience with these factors. The estimates take into account the following components: volume of fish biomass, average biomass weights, distribution of fish weights and market prices.

The volume of fish biomass estimate is based on the number of smolts in the sea, their estimated growth and their mortality during the year, etc. Uncertainty with respect to the volume of biomass is normally lower in the absence of mass mortality events or acute diseases during the cycle.

Fish grow at various rates and even though average weights can be accurately estimated, there is always a wide variation in the quality and size of the fish. The distribution of fish quality and size is important, as these attract different prices on the market.

The value of fish biomass is based on a normal weight distribution.

b) Asset impairment

The recoverable amount of property, plant and equipment is revalued annually according to IAS 36, as the Company has intangible assets. Factors that are considered an indication of impairment are declining market values, significant changes in the technological environment, obsolescence or physical deterioration, changes in the way the item is used or expected to be used, including ceasing to use it, etc. The Company evaluates whether there is evidence of impairment at each reporting date, i.e. whether the book value of an item of property, plant and equipment or an intangible asset is greater than its value in use.

It evaluates each Cash Generating Unit (CGU).

CGUs are identified for impairment testing. IAS 36 defines a CGU as "the smallest identifiable group of assets that generates receipts for the Company, which are largely independent of the receipts generated by other assets or groups of assets."

Therefore, given the characteristics of the Company's assets and its productive and marketing processes, the Company has defined that the CGU values to compare with future cash flows generated by its assets, shall be based on all the non-current assets at the reporting date, less those assets that are not property plant and equipment and intangible assets other than goodwill.

The Company has used a cash flow forecasting model to calculate the value in use of its assets, based on the following assumptions.

1. Ten-year evaluation horizon. Investments in the industry are long-term, as are the cycles and risks that affect the biomass. Therefore, a horizon of less than 10 years does not reflect the Company's long-term situation.
2. Residual value. The residual value at the end of the horizon.

Forecast cash flows. Cash flows used in the methodology are based on budget data, best estimates and reasonable and substantiated assumptions that represent Management's best estimates, taking into account the prevailing economic conditions during the remaining useful life of the evaluated assets. The most important assumptions are:

- 2.1. Sales and production volumes.
- 2.2. Estimated annual inflation of 3% and its impact on prices, sales and administration costs, and other costs.
3. Cash flow forecasts are brought to present value using a discount rate that reflects the time value of money and the risks specific to the asset. The Weighted Average Cost of Capital (WACC) rate is calculated using the following variables: The Company or industry beta; the risk-free rate of return; the market rate of return; the cost of the Company's financial debt; and the long-term target debt / equity ratio.

This evaluation resulted in no indications of asset impairment.

Except for the estimated biomass of biological assets, Management believes that these financial statements do not contain any assumptions about the future or other uncertain estimates that risk causing significant adjustments in this and subsequent accounting years.

NOTE 6 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Cash balances	51	59	42
Bank balances	1,591	1,715	3,455
Total cash and cash equivalents	1,642	1,774	3,497

NOTE 7 - TRADE AND OTHER RECEIVABLES

Trade and other receivables are as follows.

	12-31-2016			12-31-2015			12-31-2014		
	Trade receivables ThUS\$	Doubtful debt provision ThUS\$	Trade receivables, net ThUS\$	Trade receivables ThUS\$	Doubtful debt provision ThUS\$	Trade receivables, net ThUS\$	Trade receivables ThUS\$	Doubtful debt provision ThUS\$	Trade receivables, net ThUS\$
Customers	9,391	(14)	9,377	7,580	(124)	7,456	15,826	(83)	15,743
Notes receivable	9	-	9	-	-	-	339	-	339
Recoverable VAT	2,443	-	2,443	3,326	-	3,326	4,636	-	4,636
Receivables from property sales	650	-	650	1,250	-	1,250	1,900	-	1,900
Staff receivables	9	-	9	11	-	11	18	-	18
Insurance claims	14,953	-	14,953	7,579	-	7,579	-	-	-
Advances to suppliers	159	-	159	114	-	114	107	-	107
Other	84	-	84	155	-	155	151	-	151
Total	27,698	(14)	27,684	20,015	(124)	19,891	22,977	(83)	22,894

- (1) This year's insurance claims mainly relate to the Harmful Algal Blooms (HABS) in various parts of Reloncaví Sound in the X Region. This claim was fully paid in February 2017.

Insurance claims in 2015 are associated with damage to infrastructure caused by the eruption of Volcano Calbuco on April 22, 2015 that affected the Río Petrohué fresh water fish farm. These claims were fully paid during 2016.

Salmones Camanchaca S.A. does not have any receivables that are guaranteed or renegotiated, or any rejected payments that have entered a judicial collection process. It has not factored any of its receivables during 2016 and 2015.

The Company has no financial assets at the reporting date that are in arrears and not impaired.

Trade receivables by due date are as follows.

As of December 31, 2014

As of December 31, 2014				
Overdue ranges	Number of customers non-renegotiated portfolio	Gross non-renegotiated portfolio ThUS\$	Doubtful debt provision ThUS\$	Net non-renegotiated portfolio ThUS\$
Not yet due	150	17,268	-	17,268
1-30 days	28	4,017	-	4,017
31-60 days	6	963	-	963
61-90 days	5	318	-	318
91-120 days	4	5	-	5
121-150 days	3	166	(10)	156
151-180 days	2	150	-	150
181-210 days	2	25	(19)	6
211-250 days	1	58	(47)	11
>250 days	2	7	(7)	-
Total	203	22,977	(83)	22,894

As of December 31, 2015:

As of December 31, 2015				
Overdue ranges	Number of customers non-renegotiated portfolio	Gross non-renegotiated portfolio ThUS\$	Doubtful debt provision ThUS\$	Net non-renegotiated portfolio ThUS\$
Not yet due	234	17,123	-	17,123
1-30 days	11	1,293	-	1,293
31-60 days	3	616	-	616
61-90 days	3	859	-	859
181-210 days	1	3	(3)	-
211-250 days	2	25	(25)	-
>250 days	9	96	(96)	-
Total	263	20,015	(124)	19,891

As of December 31, 2016:

As of December 31, 2016				
Overdue ranges	Number of customers non-renegotiated portfolio	Gross non-renegotiated portfolio ThUS\$	Doubtful debt provision ThUS\$	Net non-renegotiated portfolio ThUS\$
Not yet due	63	26,311	-	26,311
1-30 days	18	1,282	-	1,282
31-60 days	1	31	-	31
61-90 days	1	36	-	36
91-120 days	2	7	(5)	2
151-180 days	2	24	(9)	15
>250 days	9	7	-	7
Total	96	27,698	(14)	27,684

NOTE 8 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties include the following entities and individuals.

- a) Shareholders that can exercise control
- b) Subsidiaries and their members
- c) Parties with sufficient interest to give them significant influence
- d) Parties with joint control
- e) Associates
- f) Interests in joint ventures
- g) Senior management of the entity or of its parent company
- h) Close relatives of individuals described in the previous points
- i) An entity that controls, or jointly controls, and is significantly influenced by any of the individuals described in the two previous points.

Generally, transactions with related companies are payable/receivable immediately and are not subject to special conditions. These transactions are in accordance with Law 18,046 governing Corporations and with IAS 24.

Transferring current and non-current funds between related companies, which do not relate to the collection or payment of services, are structured using commercial current accounts.

- a) Current related party receivables are as follows:

	Chilean ID Number	Country	Transaction term	Currency	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Camanchaca Inc.	Foreign	USA	Under 30 days	USD	11,433	12,950	14,524
Kabushiki Kaisha Camanchaca Ltd.	Foreign	Japan	Under 30 days	USD	3,895	2,429	3,345
Cia. Pesquera Camanchaca S.A.	93,711,000-6	Chile	Under 30 days	CLP	117	9	-
Camanchaca Cultivos Sur S.A.	96,633,150-K	Chile	Under 30 days	CLP	61	25	1
Camanchaca Pesca Sur S.A.	76,143,821-2	Chile	Under 30 days	CLP	41	150	356
Total					15,547	15,563	18,226

b) Current related party payables are as follows:

	Chilean ID Number	Country	Transaction term	Currency	12-31-2016 Current ThUS\$	12-31-2015 Current ThUS\$	12-31-2014 Current ThUS\$
Fiordo Blanco S.A.	96,540,710-3	Chile	Under 30 days	CLP	30,949	30,166	28,434
Cía. Pesquera Camanchaca S.A.	93,711,000-6	Chile	Under 30 days	CLP	667	2,683	850
Transportes Interpolar Ltda.	77,970,900-0	Chile	Under 30 days	CLP	564	664	1,362
Kabushiki Kaisha Camanchaca Ltd.	Foreign	Japan	Under 30 days	CLP	398	164	213
Inmobiliaria Camanchaca S.A.	96,786,700-4	Chile	Under 30 days	CLP	201	138	206
Camanchaca Pesca Sur S.A.	76,143,821-2	Chile	Under 30 days	CLP	17	731	60
Camanchaca Cultivos Sur S.A.	96,633,150-K	Chile	Under 30 days	CLP	14	20	25
Codepack S.A.	96,974,100-8	Chile	Under 30 days	CLP	2	1	1
Frigorífico Pacífico S.A.	77,858,550-2	Chile	Under 30 days	CLP	-	160	132
Total					32,812	34,727	31,823

c) Non-current related party payables are as follows:

	Chilean ID Number	Country	Currency	12-31-2016 Non-Current ThUS\$	12-31-2015 Non-Current ThUS\$	12-31-2014 Non-Current ThUS\$
Cía. Pesquera Camanchaca S.A.	93,711,000-6	Chile	CLP	36,372	60,924	45,012
Total				36,372	60,924	45,012

d) Transactions with related companies for over ThUS\$ 20 and their effects on net income for the years ended December 31, 2016, 2015 and 2014 are as follows.

Company	Chilean ID Number	Country	Relationship	Description	Currency	12-31-2016		12-31-2015		12-31-2014	
						Amount ThUS\$	Effect on net income (Charge) Credit ThUS\$	Amount ThUS\$	Effect on net income (Charge) Credit ThUS\$	Amount ThUS\$	Effect on net income (Charge) Credit ThUS\$
Camanchaca Inc.	Foreign	USA	Common shareholder	Products sold	USD	88,315	(5,495)	101,778	13,620	113,197	10,418
Kabushiki Kaisha Camanchaca Ltd.	Foreign	Japan	Common shareholder	Products sold	USD	14,243	3,102	6,242	2,748	11,733	1,785
Kabushiki Kaisha Camanchaca Ltd.				Fees	USD	399	(399)	323	(323)	690	(690)
Cía. Pesquera Camanchaca S.A.	93,711,000-6	Chile	Parent company	Administrative services	USD	4,608	(4,608)	4,658	(4,658)	4,683	(4,683)
Cía. Pesquera Camanchaca S.A.				Products sold	USD	166	7	163	7	6	-
Camanchaca Pesca Sur S.A.	76,143,821-2	Chile	Common shareholder	Storage	USD	505	424	590	496	619	520
Camanchaca Pesca Sur S.A.				Plant lease	USD	-	-	823	-	227	-
Camanchaca Cultivos Sur S.A.	96,633,150-K	Chile	Common shareholder	Products sold	USD	35	1	25	1	4	-
Camanchaca Cultivos Sur S.A.				Product purchases	USD	75	-	47	-	43	-
Fiordo Blanco S.A.	96,540,710-3	Chile	Common shareholder	Leased concessions	USD	1,491	-	2,469	-	2,571	-
Transportes Interpolar Ltda.	77,970,900-0	Chile	Associate	Transport service	CLP	3,374	(2,835)	5,407	(4,544)	5,059	(4,252)
Inmobiliaria Camanchaca S.A.	96,786,700-4	Chile	Common shareholder	Leased services	USD	1,379	(1,159)	1,389	(1,167)	1,379	(1,159)
			Common								
Frigorífico Pacífico S.A.	77,858,550-2	Chile	Director and shareholders	Leased refrigerators	CLP	412	(346)	1,161	(976)	1,030	(865)
Surproceso S.A.	76,346,370-2	Chile	Common shareholder	Salmon processing	CLP	1,468	-	597	-	1,191	-

Remuneration and benefits received by the Board and Senior Management.

The Company is managed by a Board of Directors, whose members received fees totaling ThUS\$ 145 during 2016, (ThUS\$ 117 in 2015 and ThUS\$ 151 in 2014).

Senior Management remuneration during 2016 totaled ThUS\$ 840 (ThUS\$ 875 in 2015 and ThUS\$ 900 in 2014).

NOTE 9 - INVENTORIES

Inventories as of each reporting date are as follows.

	UOM	12-31-2016		12-31-2015		12-31-2014	
		Quantity	ThUS\$	Quantity	ThUS\$	Quantity	ThUS\$
Atlantic Salmon	Kilo	1,942,735	18,119	6,316,397	33,898	4,473,475	26,985
Other products	Kilo	13,438	95	11,103	57	-	-
Salmon raw materials	Kilo	-	-	29,367	43	256,197	945
Production supplies	-	-	6,022	-	4,853	-	5,569
Net realizable value provision	-	-	(892)	-	(1,488)	-	(1,829)
Total			23,344		37,363		31,670

Quantities are for finished products and differences in processes, qualities or value added are not distinguished.

Inventories are valued at the lower of cost or net realizable value.

9.1 Inventory valuation

The Company values its inventories as follows.

- a) The production cost of manufactured inventory includes all costs related to the units produced such as labor and fixed and variable costs required to transform raw materials into finished products.

The production cost of fresh and frozen salmon is based on the last fair value of biological asset when harvested, plus direct and indirect production costs.

- b) The acquisition cost of purchased inventory includes its purchase cost, customs fees, transport, storage and other costs attributable to its acquisition.

9.2 Formula to calculate the cost of inventories

Inventories of finished products are valued using the weighted average cost, i.e. the cost of each product unit is based on the weighted average cost at the beginning of the period, and the cost of items purchased or produced during the year.

Inventories of raw materials, packaging materials are valued at weighted average cost.

9.3 Information on finished products

The Company has not written off any finished products at the reporting dates.

The Company has not pledged inventories of finished products in guarantee at the reporting dates.

The Company has insurance covering its inventories of finished products (Stock Throughput), which includes raw materials (at agreed value or cost), consumables (cost value) and work-in-process and finished products (agreed value).

9.4 Reconciliation of finished products

Movements in finished products are as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Opening balance	37,363	31,670	30,165
Production	157,710	181,661	194,285
Cost of sales	(171,729)	(175,968)	(192,780)
Closing balance	23,344	37,363	31,670

Cost of sales is composed as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Cost of products sold	(171,729)	(175,968)	(192,780)
Cost of services	(4,102)	(5,396)	(5,898)
Cost of fallow periods	(6,373)	(5,338)	(3,790)
Mortality costs	(2,993)	(4,411)	(647)
Total	(185,197)	(191,113)	(203,115)

NOTE 10 - BIOLOGICAL ASSETS

Current and non-current biological assets are as follows.

	12-31-2016			12-31-2015			12-31-2014		
	Current ThUS\$	Non- Current ThUS\$	Total ThUS\$	Current ThUS\$	Non- Current ThUS\$	Total ThUS\$	Current ThUS\$	Non- Current ThUS\$	Total ThUS\$
Atlantic Salmon	60,977	17,199	78,176	79,683	13,759	93,442	67,653	21,659	89,312
Total	60,977	17,199	78,176	79,683	13,759	93,442	67,653	21,659	89,312

Movements in biological assets are as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Opening balance as of January 1	93,442	89,312	109,172
Increases due to fattening, production and purchasing	123,337	169,318	153,815
Decreases due to sales and harvesting	(174,977)	(137,956)	(170,877)
Fair value adjustment for the year	63,623	(20,745)	(2,047)
Decreases due to incidents	(24,256)	(2,076)	-
Mortality	(2,993)	(4,411)	(751)
Closing balance	78,176	93,442	89,312

Biological assets are as follows:

Biomass as of 12-31-2016	Thousand units	Final biomass Ton.	Production costs ThUS\$	Fair value adjustments ThUS\$	Total cost ThUS\$
Fish in sea water	8,810	13,888	55,882	13,301	69,183
Fish in fresh water	9,977	459	8,993	-	8,993
		Total	64,875	13,301	78,176

Biomass as of 12-31-2015	Thousand units	Final biomass Ton.	Production costs ThUS\$	Fair value adjustments ThUS\$	Total cost ThUS\$
Fish in sea water	10,294	25,166	89,461	(2,854)	86,607
Fish in fresh water	10,305	229	6,835	-	6,835
		Total	96,296	(2,854)	93,442

Biomass as of 12-31-2014	Thousand units	Final biomass Ton.	Production costs ThUS\$	Fair value adjustments ThUS\$	Total cost ThUS\$
Fish in sea water	11,445	22,842	82,491	58	82,549
Fish in fresh water	10,669	375	6,763	-	6,763
		Total	89,254	58	89,312

Movements in the fair value adjustment of biological assets are as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Opening balance fair value of biological assets	(7,289)	(1,055)	9,383
Biological increase adjustment in the year	63,623	(20,745)	(2,047)
Less: Fair value adjustment for biological assets harvested and sold	(38,694)	14,511	(8,391)
Closing balance	17,640	(7,289)	(1,055)

The balance relates to the fair value adjustment of biological assets for ThUS\$ 13,301 (loss of ThUS\$ 2,854 as of December 31, 2015, gain of ThUS\$ 58 in 2014) and the fair value adjustment of biological assets in finished products for ThUS\$ 4,339 (ThUS\$ 4,435 as of December 31, 2015, loss of ThUS\$ 1,113 in 2014).

Sensitivity analysis on the effect on fair value due to an increase or decrease in the unobservable average weight of biomass in the water at the reporting date is as follows.

Species	Variation in ThUS\$			
	1% increase	1% reduction	5% increase	5% reduction
Atlantic Salmon	399	(398)	2,000	(239)
Total	399	(398)	2,000	(239)

NOTE 11 - OTHER CURRENT AND NON-CURRENT NON-FINANCIAL ASSETS

Other current and non-current non-financial assets are as follows.

	12-31-2016		12-31-2015		12-31-2014	
	Current ThUS\$	Non- Current ThUS\$	Current ThUS\$	Non- Current ThUS\$	Current ThUS\$	Non- Current ThUS\$
Insurance policies	3,690	-	2,966	-	3,250	-
Prepaid expenditure at centers	970	-	105	-	150	-
Prepaid rent	40	-	40	-	40	-
Other prepaid expenditure	168	-	-	-	50	-
Other non-financial assets	-	112	-	112	-	112
Total	4,868	112	3,111	112	3,490	112

NOTE 12 - EQUITY METHOD INVESTMENTS

Investments in associates as of December 31, 2016 are as follows.

Chilean ID Number	Name	Country	Investments in associates ThUS\$	Interest %
77,970,900-0	Transportes Interpolar Ltda.	Chile	411	50.00
Foreign	New World Currents Inc.	Panama	1	25.00
Total			412	-

Investments in associates as of December 31, 2015 are as follows.

Chilean ID Number	Name	Country	Investments in associates ThUS\$	Interest %
77,970,900-0	Transportes Interpolar Ltda.	Chile	264	50.00
Foreign	New World Currents Inc.	Panama	1	25.00
Total			265	-

Investments in associates as of December 31, 2014 are as follows.

Chilean ID Number	Name	Country	Investments in associates ThUS\$	Interest %
77,970,900-0	Transportes Interpolar Ltda.	Chile	-	50.00
Foreign	New World Currents Inc.	Panama	1	25.00
Total			1	-

A summary of these associate's assets and liabilities are as follows.

	12-31-2016		12-31-2015		12-31-2014	
	Assets ThUS\$	Liabilities ThUS\$	Assets ThUS\$	Liabilities ThUS\$	Assets ThUS\$	Liabilities ThUS\$
Current	1,315	921	1,146	1,030	1,955	1,425
Non-Current	538	932	620	736	816	1,346
Total	1,853	1,853	1,766	1,766	2,771	2,771

Revenue and net income for the year for these associated are as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Revenue	5,033	6,641	6,256
Net income for year	253	792	281

NOTE 13 - TAX ASSETS

Current tax assets are as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Provisional payment for absorbed profits	1,371	1,371	1,591
Training expenses	156	71	206
Other recoverable taxes	330	208	64
Total	1,857	1,650	1,861

Non-current tax assets are as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Investment tax incentive (1)	3,995	3,995	3,995
Total	3,995	3,995	3,995

(1) The tax incentive is for investments in the Aysen Region, in accordance with Law 19,606. The deadline to recover this incentive is 2045, by discounting it from corporate income tax.

NOTE 14 - INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets that have not been created internally are as follows.

	Useful life	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Aquaculture concessions and water rights	Indefinite	4,216	4,216	4,216
Total		4,216	4,216	4,216

Movements in intangible assets as of December 31, 2016, 2015 and 2014 are as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Opening balance as of January 1	4,216	4,216	4,216
Disposals	-	-	-
Closing balance	4,216	4,216	4,216

Water rights

No	DGA Resolution No	Water source	Location	Status
1	494/1990	Superficial and Current	Puerto Varas	Granted
2	046/2011	Underground	Puerto Varas	Granted
3	200/1998	Superficial and Current	Purranque	Granted
4	154/2008	Superficial and Current	Puerto Varas	Granted
5	184/2001	Underground	Puerto Varas	Granted
6	318/2003	Underground	Puerto Varas	Granted
7	235/2009	Underground	Puerto Varas	Granted
8	91/2013	Underground	Puerto Varas	Granted
9	263/2008	Superficial and Detained	Frutillar	Granted
10	356/1998	Superficial and Current	Frutillar	Granted
11	468/2004	Superficial and Current	Cochamo	Granted
12	468/2004	Superficial and Current	Puerto Montt	Granted
13	468/2004	Superficial and Current	Puerto Montt	Granted
14	468/2004	Superficial and Current	Puerto Montt	Granted
15	468/2004	Superficial and Current	Cochamo	Granted
16	134/2006	Superficial and Current	Cochamo	Granted
17	N/A	Superficial and Current	Antuco	Granted
18	N/A	Superficial and Current	Antuco	Granted
19	390/2007	Underground	Calbuco	Granted
20	150/2015	Superficial and Current	Chaitén	Granted
21	109/2015	Superficial and Current	Chaitén	Granted
22	149/2015	Superficial and Current	Chaitén	Granted
23	In process	Superficial and Current	Puerto Varas	Requested
24	In process	Superficial and Current	Purranque	Requested

Salmon concessions

Name	Region	Macro zone	Number of concessions (District)	Municipality	Sea water or fresh water	Surface area	Status (Use, Fallow, Other)
Maqui Beach (Lake Center)	X	6	1	Frutillar	Fresh Water	7.5	Use
Chaiquen	X	1	1	Puerto Varas	Sea Water	3.74	Fallow
Pucheguin	X	1	1	Cochamo	Sea Water	3	Use
Pucheguin coast	X	1	1	Cochamo	Sea Water	9	Use
Farellones	X	1	1	Cochamo	Sea Water	21.06	Use
Marimelli	X	1	1	Cochamo	Sea Water	24.98	Fallow
Chilco River 1	X	1	1	Cochamo	Sea Water	6	Fallow
Chilco River 2	X	1	1	Cochamo	Sea Water	6.75	Fallow
Cascajal	X	1	1	Cochamo	Sea Water	9	Use
Factoría	X	1	1	Cochamo	Sea Water	9	Fallow
Puelche	X	1	2	Hualaihue	Sea Water	7.54	Fallow
Manihueico	X	1	2	Hualaihue	Sea Water	15	Fallow
Contao	X	1	2	Hualaihue	Sea Water	15	Fallow
Chagual River	X	1	2	Hualaihue	Sea Water	7.2	Fallow
Aulen	X	1	2	Hualaihue	Sea Water	3.25	Fallow
San José	X	1	3b.	Calbuco	Sea Water	3.75	Fallow
Penasmo	X	1	3b.	Calbuco	Sea Water	28.56	Fallow
Pilpilehue	X	3	10b.	Chonchi	Sea Water	32	Use
Ahoni	X	3	10b.	Queilen	Sea Water	33.45	Use
Terao	X	3	10b.	Chonchi	Sea Water	1.28	Fallow
Arbolito	XI	6	18b.	Cisnes	Sea Water	12.5	Fallow
Lamalec	XI	6	18b.	Cisnes	Sea Water	12.5	Fallow
Northeast Garrao 1	XI	6	18b.	Cisnes	Sea Water	12.5	Fallow
Piure Stream	XI	6	18b.	Cisnes	Sea Water	12.5	Fallow
Filomena 2	XI	6	18b.	Cisnes	Sea Water	12.5	Use
East Lamalec	XI	6	18b.	Cisnes	Sea Water	12.5	Fallow
East Filomena	XI	6	18b.	Cisnes	Sea Water	12.5	Fallow
Chonos	XI	6	18c.	Cisnes	Sea Water	12.5	Fallow
Licha	XI	6	18c.	Cisnes	Sea Water	12.5	Fallow
Garrao	XI	6	18c.	Cisnes	Sea Water	12.5	Fallow
Gallo Stream	XI	6	18c.	Cisnes	Sea Water	12.5	Fallow
Southwest Leucayec	XI	6	18c.	Guaitecas	Sea Water	11.08	Fallow
Piure Channel	XI	6	18c.	Cisnes	Sea Water	12.5	Fallow

Name	Region	Macro zone	Number of concessions (District)	Municipality	Sea water or fresh water	Surface area	Status (Use, Fallow, Other)
Northeast Francisco	XI	6	18d.	Cisnes	Sea Water	12.5	Fallow
East Jechica	XI	6	18d.	Cisnes	Sea Water	12.5	Fallow
South Garrao	XI	6	18d.	Cisnes	Sea Water	12.5	Fallow
South Jechica	XI	6	18d.	Cisnes	Sea Water	12.5	Fallow
West Filomena	XI	6	18d.	Cisnes	Sea Water	12.5	Fallow
Southwest Filomena	XI	6	18d.	Cisnes	Sea Water	12.5	Fallow
Carmencita	XI	6	18d.	Cisnes	Sea Water	6.06	Fallow
Forsyth	XI	6	19a	Cisnes	Sea Water	8.45	Fallow
Johnson 1	XI	6	19a	Cisnes	Sea Water	10.6	Use
Johnson 2	XI	6	19a	Cisnes	Sea Water	6.35	Fallow
Midhurst	XI	6	19a	Cisnes	Sea Water	N/A	Fallow
Tahuenahuac	XI	6	20	Cisnes	Sea Water	5.52	Fallow
Benjamin	XI	6	20	Cisnes	Sea Water	50.88	Fallow
King	XI	6	20	Cisnes	Sea Water	29.38	Fallow
Punta Alta	XI	6	20	Cisnes	Sea Water	26.56	Fallow
No Name	XI	6	20	Cisnes	Sea Water	17.84	Fallow
South Izaza	XI	6	20	Cisnes	Sea Water	8.96	Use
Martita	XI	6	20	Cisnes	Sea Water	17.57	Fallow
Paso Lautaro	XI	6	20	Cisnes	Sea Water	9.8	Fallow
Southwest Tahuenahuac	XI	6	20	Cisnes	Sea Water	14.64	Fallow
Southeast Izaza	XI	6	20	Cisnes	Sea Water	6.62	Fallow
Port Róbaló	XI	6	20	Cisnes	Sea Water	14.07	Fallow
Williams 1	XI	6	21d.	Cisnes	Sea Water	11.95	Use
Williams 2	XI	6	21d.	Cisnes	Sea Water	10.28	Fallow
Williams Sector 2	XI	6	21d.	Cisnes	Sea Water	N/A	Fallow

Intangible assets subject to guarantees or restrictions

The Company has mortgaged and pledged its Salmon concessions, to guarantee the syndicated loan for Compañía Pesquera Camanchaca S.A. and Salmenes Camanchaca S.A. (Note 29).

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment and its movements are as follows.

Opening balance as of January 1, 2016	Land ThUS\$	Buildings ThUS\$	Plant and equipment ThUS\$	Vessels ThUS\$	Vehicles ThUS\$	Other property, plant and equipment ThUS\$	Total ThUS\$
Cost or valuation	5,106	32,793	104,802	2,702	161	3,342	148,906
Accumulated depreciation	-	(13,017)	(62,199)	(2,158)	(128)	(1,645)	(79,147)
Net balance as of January 1, 2016	5,106	19,776	42,603	544	33	1,697	69,759
Additions	-	3,205	7,079	5	40	436	10,765
Disposals	-	-	(510)	-	(5)	(547)	(1,062)
Transfers	36	(36)	488	-	-	(488)	-
Depreciation for the period	-	(1,539)	(8,350)	(274)	(5)	(289)	(10,457)
Closing balance as of December 31, 2016	5,142	21,406	41,310	275	63	809	69,005

Opening balance as of January 1, 2015	Land ThUS\$	Buildings ThUS\$	Plant and equipment ThUS\$	Vessels ThUS\$	Vehicles ThUS\$	Other property, plant and equipment ThUS\$	Total ThUS\$
Cost or valuation	5,106	33,532	98,988	2,878	252	3,816	144,572
Accumulated depreciation	-	(13,754)	(57,931)	(2,054)	(206)	(1,389)	(75,334)
Net balance as of January 1, 2015	5,106	19,778	41,057	824	46	2,427	69,238
Additions	-	4,545	10,738	20	-	174	15,477
Disposals	-	(2,925)	(1,647)	-	(9)	(2)	(4,583)
Transfers between accounts	-	44	550	-	-	(594)	-
Depreciation	-	(1,666)	(8,095)	(300)	(4)	(308)	(10,373)
Closing balance as of December 31, 2015	5,106	19,776	42,603	544	33	1,697	69,759

Opening balance as of January 1, 2014	Land ThUS\$	Buildings ThUS\$	Plant and equipment ThUS\$	Vessels ThUS\$	Vehicles ThUS\$	Other property, plant and equipment ThUS\$	Total ThUS\$
Cost or valuation	5,106	33,083	92,908	2,858	229	4,027	138,211
Accumulated depreciation	0	(12,088)	(49,757)	(1,724)	(196)	(1,412)	(65,177)
Net balance as of January 1, 2014	5,106	20,995	43,151	1,134	33	2,615	73,034
Additions	-	355	5,763	28	23	503	6,672
Disposals	-	-	(8)	-	-	(2)	(10)
Transfers between accounts	-	94	486	(8)	-	(572)	-
Depreciation for the period	-	(1,666)	(8,335)	(330)	(10)	(117)	(10,458)
Closing balance as of December 31, 2014	5,106	19,778	41,057	824	46	2,427	69,238

Property, plant and equipment as of December 31, 2016 are as follows.

	Gross value ThUS\$	Accumulated depreciation ThUS\$	Net value ThUS\$
Land	5,142	-	5,142
Buildings	35,950	(14,544)	21,406
Plant and equipment	110,593	(69,283)	41,310
Vessels	2,707	(2,432)	275
Motor vehicles	149	(86)	63
Other property plant and equipment	2,519	(1,710)	809
Total	157,060	(88,055)	69,005

Property, plant and equipment as of December 31, 2015 is as follows.

	Gross value ThUS\$	Accumulated depreciation ThUS\$	Net value ThUS\$
Land	5,106	-	5,106
Buildings	32,793	(13,017)	19,776
Plant and equipment	104,802	(62,199)	42,603
Vessels	2,702	(2,158)	544
Motor vehicles	161	(128)	33
Other property plant and equipment	3,342	(1,645)	1,697
Total	148,906	(79,147)	69,759

Property, plant and equipment as of December 31, 2014 is as follows.

	Gross value ThUS\$	Accumulated depreciation ThUS\$	Net value ThUS\$
Land	5,106	-	5,106
Buildings	33,532	(13,754)	19,778
Plant and equipment	98,988	(57,931)	41,057
Vessels	2,878	(2,054)	824
Motor vehicles	252	(206)	46
Other property plant and equipment	3,816	(1,389)	2,427
Total	144,572	(75,334)	69,238

a) Valuation

Management has chosen the cost model as its accounting policy, and has applied this policy to all items in property, plant and equipment.

b) Depreciation method

The depreciation method applied to all items of property, plant and equipment (excluding land) is the straight-line method, which produces a constant expense over their useful life.

c) Property, plant and equipment subject to guarantees or restrictions

The Company has mortgaged and pledged some items, to guarantee the syndicated loan for Compañía Pesquera Camanchaca S.A. and Salmones Camanchaca S.A. (Note 29).

d) Insurance

The Company has insurance policies to cover the risks to items of property, plant and equipment, including in some cases loss of profit or loss due to strikes. The Company constantly analyzes its insurance cover to ensure that it is reasonable when compared to the risks inherent to its business.

e) The gross value of properties, plant and equipment items that are fully depreciated and still in use are as follows.

	12-31-2016 Gross value ThUS\$	12-31-2015 Gross value ThUS\$	12-31-2014 Gross value ThUS\$
Buildings	5,215	3,794	3,927
Plant and equipment	32,172	24,501	20,680
Vessels	2,369	594	525
Motor vehicles	86	138	64
Other property plant and equipment	724	754	691
Total	40,566	29,781	25,887

f) Leases

The Company only has operating leases, both as lessor and lessee.

Its operating leases as lessee are mainly concessions and offices, which are automatically renewable every 2 years unless one of the parties indicates to the contrary. Minimum future operating lease payments are as follows.

Minimum future payments	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Due within 1 year	1,980	2,386	1,913
Over one year but less than five years	3,520	5,178	290
Total	5,500	7,564	2,203

Its operating leases as lessor are mainly concessions. Minimum future operating lease receivables are as follows.

Minimum future receivables	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Due within 1 year	386	194	150
Over one year but less than five years	44	-	-
	430	194	150

g) There are no items of property, plant and equipment that are no longer actively used, but not classified as held for sale, in accordance with IFRS 5.

h) Management believes that all items of property, plant and equipment have fair values that are not significantly different from their book values.

NOTE 16 - INCOME AND DEFERRED TAXES

Law 20,780 was published in the Official Gazette on September 29, 2014 amending the Chilean tax regime. Subsequently, Law 20,899 was enacted on February 1, 2016, which amended it, by simplifying it and clarifying some aspects. The essential changes to the income tax regimes were that corporations must adopt the "Partially Integrated System". The former Law gave them the option to adopt the "Attributed Income System", but this option was withdrawn by the latter Law.

The Law establishes a progressive increase in corporate income tax rates under the "Partially Integrated System". The tax rate was increased from 20% to 21% for 2014, to 22.5% for 2015, to 24% for 2016, to 25.5% for 2017 and to 27% for 2018.

Deferred tax assets and liabilities are as follows.

	12-31-2016		12-31-2015		12-31-2014	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Tax losses	8,569	-	13,009	-	4,616	-
Inventory provisions	552	-	963	-	512	-
Staff vacation provisions	207	-	214	-	196	-
Staff severance indemnity provision	37	-	34	-	40	-
Doubtful debt provisions	4	-	-	(106)	22	-
Other provisions	139	-	-	(727)	79	-
Property, plant and equipment	-	(571)	-	(1,486)	-	(1,211)
Manufacturing expenses	-	(3,671)	-	(6,245)	-	(3,304)
Income from compensation claims	-	(4,589)	-	(2,945)	-	-
Biological assets	-	(4,498)	1,749	-	-	222
Capitalized prepaid costs	-	(71)	-	(91)	-	(108)
Total	9,508	(13,400)	15,969	(11,600)	5,465	(4,401)
Net Total	-	(3,892)	4,369	-	1,064	-

Income taxes are as follows.

	12-31-2016	12-31-2015	12-31-2014
	ThUS\$	ThUS\$	ThUS\$
Current tax expense	(9)	(10)	(26)
Tax expense adjustment (prior period)	(39)	-	2
Deferred tax expense for the period	(8,261)	3,305	(1,138)
Closing balance	(8,309)	3,295	(1,162)

Reconciliation of tax expense using statutory rate to tax expense using effective rate.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Income tax expense using the statutory rate	(8,514)	3,237	(1,068)
Personal income tax on salaries and wages	(9)	(10)	(26)
Tax effect of non-taxable revenue	31	89	32
Tax effect of non-deductible expenses	(38)	-	-
Tax effect on changes in rates for deferred taxes	221	(21)	(100)
Total	(8,309)	3,295	(1,162)

NOTE 17 - OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Other financial liabilities are as follows.

Current

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Interest-bearing loans	10,554	10,815	9,461
Total current	10,554	10,815	9,461

Non-current

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Interest-bearing loans	99,917	110,145	120,373
Total non-current	99,917	110,145	120,373

A Financial Rescheduling and Commitment, Joint and Several Guarantee Contract was signed on May 30, 2013, between the seven creditor banks of Compañía Pesquera Camanchaca S.A. (Parent Company) and Salmones Camanchaca S.A. This Contract superseded the previous loan contracts.

Their liabilities were restructured using two contracts that refinanced all the banking liabilities totaling ThUS\$ 215,942 payable by the Camanchaca Group (comprising Compañía Pesquera Camanchaca S.A. ThUS\$ 86,189 and Salmones Camanchaca S.A. ThUS\$ 129,753). All with guarantees and cross-guarantees.

The obligations for Salmones Camanchaca S.A. were split into two, tranche I for ThUS\$ 78,163 and tranche II for US\$ 51,590.

a) Conditions for tranche I

Expiry: November 2019.

Rate: fund dollar cost + spread of 1.5 % pa.

b) Conditions for tranche II

Expiry: November 2019.

Minimum semiannual capital repayments: ten installments from May 25, 2015 to November 25, 2019

Rate: fund dollar cost + spread of 1.5 % pa.

A number of obligations were established. The conditions that would trigger the banks to recall the loans and the causes of a contract breach were established, which are standard for such contracts.

The Company was fully compliant with the financial ratios (covenants) calculated using its financial statements as of the reporting dates. The Parent Company is subject to the restriction that its consolidated borrowing ratio must not exceed 1.30 times, which is calculated every year.

As of December 31 2016, 2015 and 2014, Salmenes Camanchaca S.A. classified its obligations arising from renegotiating this contract to long-term liabilities, as it shall comply with all the renegotiated conditions, which are necessary for these contract extensions under the established terms.

Interest-bearing loans

Obligations that mature in under 12 months.

Institution	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Banco Crédito e Inversiones	2,845	2,845	2,483
Banco de Chile	1,968	2,269	1,957
Banco Estado	1,759	1,759	1,539
Rabobank	1,593	1,593	1,394
Banco Security	1,236	1,236	1,082
Banco Santander	827	827	724
Interest payable	326	286	282
Total	10,554	10,815	9,461

Obligations that mature in over 12 months.

Institution	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Banco Crédito e Inversiones	27,944	30,788	33,633
Banco de Chile	19,437	21,404	23,372
Banco Estado	17,067	18,827	20,586
Rabobank	15,452	17,045	18,638
Banco Security	11,993	13,230	14,466
Banco Santander	8,024	8,851	9,678
Total	99,917	110,145	120,373

The Company's loans are as follows.

a) As of December 31, 2016

								Current			Non-Current			
Creditor ID Number	Creditor	Country	Currency	Repayments	Nominal rate	Effective rate	Guarantees	Maturity		Total current	Maturity			Total non-current
								Under 90 days	90 days to 1 year		1 to 3 years	3 to 5 years	Over 5 years	
97,004,000-5	Banco de Chile	Chile	USD	Semiannually and at maturity	2.80	2.80	% of assets	-	2,028	2,028	1,968	17,469	-	19,437
97,006,000-6	Banco Crédito e Inversiones	Chile	USD	Semiannually and at maturity	2.76	2.76	% of assets	-	2,930	2,930	2,845	25,099	-	27,944
97,030,000-7	Banco Estado	Chile	USD	Semiannually and at maturity	2.79	2.79	% of assets	-	1,812	1,812	1,759	15,308	-	17,067
97,036,000-K	Banco Santander	Chile	USD	Semiannually and at maturity	2.60	2.60	% of assets	-	851	851	827	7,197	-	8,024
97,949,000-3	Rabobank	Chile	USD	Semiannually and at maturity	3.76	3.76	% of assets	-	1,657	1,657	1,593	13,859	-	15,452
97,053,000-2	Banco Security	Chile	USD	Semiannually and at maturity	3.02	3.02	% of assets	-	1,276	1,276	1,236	10,757	-	11,993
Total								-	10,554	10,554	10,228	89,689	-	99,917

b) As of December 31, 2015

								Current			Non-Current			
								Maturity		Total current	Maturity			Total Non-current
								Under 90 days	90 days to 1 year		1 to 3 years	3 to 5 years	Over 5 years	
Creditor ID Number	Creditor	Country	Currency	Repayments	Nominal rate	Effective rate	Guarantees							
97,004,000-5	Banco de Chile	Chile	USD	Semiannually and at maturity	2.34	2.34	% of assets	301	2,020	2,321	3,935	17,469	-	21,404
97,006,000-6	Banco Crédito e Inversiones	Chile	USD	Semiannually and at maturity	2.34	2.34	% of assets	-	2,919	2,919	5,689	25,099	-	30,788
97,030,000-7	Banco Estado	Chile	USD	Semiannually and at maturity	2.50	2.50	% of assets	-	1,808	1,808	3,519	15,308	-	18,827
97,036,000-K	Banco Santander	Chile	USD	Semiannually and at maturity	2.32	2.32	% of assets	-	848	848	1,654	7,197	-	8,851
97,949,000-3	Rabobank	Chile	USD	Semiannually and at maturity	3.13	3.13	% of assets	-	1,648	1,648	3,186	13,859	-	17,045
97,053,000-2	Banco Security	Chile	USD	Semiannually and at maturity	2.51	2.51	% of assets	-	1,271	1,271	2,473	10,757	-	13,230
							Total	301	10,514	10,815	20,456	89,689	-	110,145

c) As of December 31, 2014

								Current			Non-Current			
Creditor ID Number	Creditor	Country	Currency	Repayments	Nominal rate	Effective rate	Guarantees	Maturity		Total current	Maturity			Total Non-current
								Under 90 days	90 days to 1 year		1 to 3 years	3 to 5 years	Over 6 years	
97,004,000-5	Banco Crédito e Inversiones	Chile	USD	Semiannually and at maturity	2.04	2.04	% of assets	-	2,557	2,557	5,689	27,944	-	33,633
97,006,000-6	Banco de Chile	Chile	USD	Semiannually and at maturity	1.98	1.98	% of assets	-	2,007	2,007	3,935	19,437	-	23,372
97,030,000-7	Banco Estado	Chile	USD	Semiannually and at maturity	2.22	2.22	% of assets	-	1,588	1,588	3,519	17,067	-	20,586
97,036,000-K	Rabobank	Chile	USD	Semiannually and at maturity	2.80	2.80	% of assets	-	1,450	1,450	3,186	15,452	-	18,638
97,949,000-3	Banco Security	Chile	USD	Semiannually and at maturity	2.11	2.11	% of assets	-	1,115	1,115	2,473	11,993	-	14,466
97,053,000-2	Banco Santander	Chile	USD	Semiannually and at maturity	1.92	1.92	% of assets	-	744	744	1,654	8,024	-	9,878
Total								-	9,461	9,461	20,456	99,917	-	120,373

Reconciliation of financial obligations for the statement of cash flows:

a) As of December 31, 2016

Other financial liabilities	Balance as of December 31, 2015 ThUS\$	Cash Flows			Accruals ThUS\$	Other ThUS\$	Balance as of December 31, 2016 ThUS\$
		Payments		Acquisition ThUS\$			
		Capital ThUS\$	Interest ThUS\$				
Current							
Bank loans	10,815	(10,619)	(3,367)	-	3,497	10,228	10,554
Total other financial liabilities, current	10,815	(10,619)	(3,367)	-	3,497	10,228	10,554
	-	-	-	-	-	-	-
Non-Current							
Bank loans	110,145	-	-	-	-	(10,228)	99,917
Total other financial liabilities, non-current	110,145	-	-	-	-	(10,228)	99,917
Total other financial liabilities	120,960	(10,619)	(3,367)	-	3,497	-	110,471

b) As of December 31, 2015

Other financial liabilities	Balance as of December 31, 2014 ThUS\$	Cash Flows			Accruals ThUS\$	Other ThUS\$	Balance as of December 31, 2015 ThUS\$
		Payments		Acquisition ThUS\$			
		Capital ThUS\$	Interest ThUS\$				
Current							
Bank loans	9,461	(9,631)	(3,641)	663	3,735	10,228	10,815
Total	9,461	(9,631)	(3,641)	663	3,735	10,228	10,815
	-	-	-	-	-	-	-
Non-Current							
Bank loans	120,373	-	-	-	-	(10,228)	110,145
Total other financial liabilities, non-current	120,373	-	-	-	-	(10,228)	110,145
Total other financial liabilities	129,834	(9,631)	(3,641)	663	3,735	-	120,960

c) As of December 31, 2014

Other financial liabilities	Balance as of December 31, 2014 ThUS\$	Cash Flows			Accruals ThUS\$	Other ThUS\$	Balance as of December 31, 2015 ThUS\$
		Payments		Acquisition ThUS\$			
		Capital ThUS\$	Interest ThUS\$				
Current							
Bank loans	205	-	(3,325)	241	3,402	8,938	9,461
Total	205	-	(3,325)	241	3,402	8,938	9,461
	-	-	-	-	-	-	-
Non-Current							
Bank loans	129,311	-	-	-	-	(8,938)	120,373
Total other financial liabilities, non-current	129,311	-	-	-	-	(8,938)	120,373
Total other financial liabilities	129,516	-	(3,325)	241	3,402	-	129,834

NOTE 18 - TRADE AND OTHER PAYABLES

Trade and other payables are as follows:

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Trade payables	21,977	41,917	31,377
Notes payable	5,283	4,120	6,202
Staff vacation provisions	813	892	935
Retentions	568	667	2,122
Other	180	146	147
Total	28,821	47,742	40,783

Trade payables as of December 31, 2016 by suppliers are as follows.

- Suppliers with payments not overdue

Supplier	Amount by payment terms in days						Total ThUS\$	Average payment period (days)
	Under 30 ThUS\$	31-60 ThUS\$	61-90 ThUS\$	91-120 ThUS\$	121-365 ThUS\$	Over 365 ThUS\$		
Products	1,334	3,623	3,383	4,719	754	-	13,813	57
Services	2,494	4,507	-	-	-	-	7,001	42
Total	3,828	8,130	3,383	4,719	754	-	20,814	

- Suppliers with payments overdue

Supplier	Amount by overdue range in days						Total ThUS\$
	Under 30 ThUS\$	31-60 ThUS\$	61-90 ThUS\$	91-120 ThUS\$	121-180 ThUS\$	Over 180 ThUS\$	
Products	312	14	1	26	1	391	745
Services	116	35	63	147	9	48	418
Total	428	49	64	173	10	439	1,163

Trade payables as of December 31, 2015 by suppliers are as follows.

- Suppliers with payments not overdue

Supplier	Amount by payment terms in days						Total ThUS\$	Average payment period (days)
	Under 30 ThUS\$	31-60 ThUS\$	61-90 ThUS\$	91-120 ThUS\$	121-365 ThUS\$	Over 365 ThUS\$		
Products	5,814	10,564	7,426	6,607	-	-	30,411	70
Services	2,670	5,880	-	168	-	-	8,718	45
Total	8,484	16,444	7,426	6,775	-	-	39,129	

- Suppliers with payments overdue

Supplier	Amount by overdue range in days						Total ThUS\$
	Under 30 ThUS\$	31-60 ThUS\$	61-90 ThUS\$	91-120 ThUS\$	121-180 ThUS\$	Over 180 ThUS\$	
Products	472	1,205	18	1	-	52	1,748
Services	892	75	18	16	10	29	1,040
Total	1,364	1,280	36	17	10	81	2,788

The Company has no confirming transactions.

Trade payables as of December 31, 2014 by suppliers are as follows.

- Suppliers with payments not overdue

Supplier	Amount by payment terms in days						Total ThUS\$	Average payment period (days)
	Under 30 ThUS\$	31-60 ThUS\$	61-90 ThUS\$	91-120 ThUS\$	121-365 ThUS\$	Over 365 ThUS\$		
Products	1,409	9,047	7,444	5,897	-	-	23,797	71
Services	2,684	4,203	-	-	-	-	6,887	47
Total	4,093	13,250	7,444	5,897	-	-	30,684	

- Suppliers with payments overdue

Supplier	Amount by overdue range in days						Total ThUS\$
	Under 30 ThUS\$	31-60 ThUS\$	61-90 ThUS\$	91-120 ThUS\$	121-180 ThUS\$	Over 180 ThUS\$	
Products	203	55	3	4	-	-	265
Services	339	49	19	-	2	19	428
Total	542	104	22	4	2	19	693

NOTE 19 - EMPLOYEE BENEFIT PROVISIONS

Movements in staff severance indemnity provisions are as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Opening balance	125	147	236
Payments	(46)	(51)	(104)
Increases	57	29	15
Total	136	125	147

NOTE 20 – EQUITY

a) Capital

The Company's share capital is as follows.

Series	December 31, 2016	
	Subscribed capital ThUS\$	Paid capital ThUS\$
Single	34,843	34,843
Total	34,843	34,843

Series	December 31, 2015	
	Subscribed capital ThUS\$	Paid capital ThUS\$
Single	34,843	34,843
Total	34,843	34,843

Series	December 31, 2014	
	Subscribed capital ThUS\$	Paid capital ThUS\$
Single	34,843	34,843
Total	34,843	34,843

Common Shares	Total number of shares
As of December 31, 2016, 2015 and 2014	206,061

b) Dividend Policy

The Company has defined the following dividend policy, in accordance with its by-laws.

Financial statements shall be prepared as of December 31 each year.

Net income for the year will be distributed as follows.

i) No less than thirty percent to be distributed as a dividend in cash to shareholders, in proportion to their shares.

ii) The balance to be used to form reserves, as agreed by an Annual General Shareholders' Meeting.

c) Dividend provision

The Company has not provided for any interim or final dividends for the years ended December 31, 2016, 2015 and 2014, as it has accumulated losses. The Company must allocate its net income to absorbing such losses, in accordance with Law 18,046.

d) Other reserves

Other reserves are as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2015 ThUS\$
Foreign currency conversion reserve	75	55	86
Total	75	55	86

e) Retained earnings are as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2015 ThUS\$
Opening balance	(43,838)	(32,746)	(36,919)
Adjustment for corporate income rate change (Circular 856)	-	-	250
Net income (loss) for the year	27,166	(11,092)	3,923
Closing balance	(16,672)	(43,838)	(32,746)

NOTE 21 - EARNINGS PER SHARE

Earnings per share are as follows.

	12-31-2016	12-31-2015	12-31-2014
Net income (loss) for the year (ThUS\$)	27,166	(11,092)	3,923
Number of shares	206,061	206,061	206,061
Basic earnings (loss) per share (US\$/share)	131.835	(53.829)	19.038

Basic earnings (loss) per share takes the net income (loss) for the year and divides it by the number of single series shares.

The Company has not issued convertible debt or other equity securities. Consequently, there are no potentially diluting effects on earnings per share.

NOTE 22 - REVENUE

Revenue is as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Fresh salmon sales	90,926	90,732	104,454
Frozen salmon sales	125,253	100,840	115,279
Services	5,230	8,426	12,144
Other products	4,137	790	6,073
Total	225,546	200,788	237,950

NOTE 23 - ADMINISTRATIVE EXPENSES

Administrative expenses are as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Corporate support services	(3,960)	(4,035)	(4,565)
Remuneration	(2,484)	(2,582)	(2,776)
Communications	(220)	(187)	(51)
Leases	(567)	(561)	(508)
Depreciation	(172)	(198)	(207)
Audit and consultancy	(507)	(160)	(263)
Travel and travelling allowances	(198)	(168)	(189)
Legal expenses	(153)	(75)	(61)
Overhead expenses	(500)	(290)	(406)
Other administrative expenses	(446)	(593)	(603)
Total	(9,207)	(8,849)	(9,629)

NOTE 24 - DISTRIBUTION COSTS

Distribution costs are as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Remuneration	(926)	(1,106)	(1,022)
Storage costs	(1,281)	(2,096)	(1,294)
Fees	(1,107)	(707)	(1,009)
Distribution services	(648)	(561)	-
Haulage costs	(864)	(540)	(481)
Maritime freight	(756)	(2,450)	(725)
Shipment costs	(387)	(383)	(286)
Travel and Traveling allowances	(68)	(66)	(77)
Samples and analysis	(94)	(59)	(3)
Export certificates	(104)	(5)	(6)
Other expenses	(502)	(1,014)	(1,214)
Total	(6,737)	(8,987)	(6,117)

NOTE 25 - FINANCE COSTS

Finance costs are as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Financial interest	(3,103)	(2,877)	(2,910)
Commercial current account interest	(304)	-	-
Financial commissions	(90)	(664)	(91)
Other expenses	(99)	(194)	(401)
Total	(3,596)	(3,735)	(3,402)

NOTE 26 – EXCHANGE DIFFERENCES

Exchange differences are as follows.

	Currency	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Assets (charge) / credit				
Banks	CLP	(291)	(440)	(312)
Banks	EUR	13	11	(23)
Domestic customers	CLP	33	(160)	(182)
Foreign customers	EUR	103	(278)	(114)
Foreign customers	GBP	8	20	-
Other receivables	CLP	102	(44)	(50)
Miscellaneous receivables	UF	304	-	-
Commercial current accounts with related companies	CLP	(620)	(1,098)	(1,340)
Commercial current accounts with related companies	EUR	33	115	148
Commercial current accounts with related companies	UF	(2)	-	-
Recoverable taxes	CLP	356	(1,349)	(903)
Prepaid expenses	CLP	23	(3)	(13)
Total		62	(3,226)	(2,789)
Liabilities (charge) / credit				
Trade payables	CLP	(562)	2,837	2,238
Notes payable	CLP	(2)	38	1
Notes payable	EUR	30	3	1
Provisions and withholdings	CLP	69	98	222
Provisions and withholdings	UF	(6)	-	3
Total		(471)	2,976	2,465
Gain (loss) on foreign currency conversion		(409)	(250)	(324)

NOTE 27 - OTHER INCOME (LOSSES)

Other income for the year is as follows.

	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Net gain on selling assets	89	53	1
Gain (loss) on insurance claims	(9,308)	3,288	(51)
Costs of disposing of property, plant and equipment	(964)	-	-
Other	129	52	15
Total	(10,054)	3,393	(35)

The loss on insurance claims in 2016 mainly arose from a loss not covered by insurance of US\$ 11.1 million associated with the Harmful Algal Blooms, partially offset by a gain of US\$ 1.6 million on the balance of the insurance claim associated with the eruption of Volcano Calbuco in 2015.

The gain in 2015 arose from the net effect of insurance on biomass, and partial building and equipment losses as a result of the Volcano Calbuco eruption.

NOTE 28 - ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are as follows:

	Currency	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Current assets				
Cash and cash equivalents	USD	852	1,834	2,350
Cash and cash equivalents	CLP	626	(69)	1,141
Cash and cash equivalents	EUR	164	9	6
Other financial assets, current	CLP	2	11	28
Other non-financial assets, current	USD	4,868	3,101	3,490
Other non-financial assets, current	UF	-	10	-
Trade and other receivables	USD	23,949	5,900	16,425
Trade and other receivables	CLP	3,172	3,638	4,269
Trade and other receivables	EUR	482	2,774	2,200
Trade and other receivables	UF	81	7,579	-
Related party receivables	USD	15,331	15,379	18,070
Related party receivables	CLP	216	184	156
Inventories	USD	23,344	37,363	31,670
Biological assets, current	USD	60,977	79,683	67,653
Tax assets, current	CLP	1,857	1,650	1,861
Total		135,921	159,046	149,319

	Currency	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Non-current assets				
Other financial assets	USD	27	27	27
Other non-financial assets, non-current	CLP	112	112	112
Tax assets, non-current	USD	3,995	3,995	3,995
Equity method investments	USD	412	265	1
Intangible assets other than goodwill	USD	4,216	4,216	4,216
Property, plant and equipment	USD	69,005	69,759	69,238
Biological assets, non-current	USD	17,199	13,759	21,659
Deferred tax assets	USD	-	4,369	1,064
Total		94,966	96,502	100,312

Current liabilities	Currency	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Other financial liabilities	USD	10,554	10,815	9,461
Trade and other payables	USD	14,843	31,192	25,957
Trade and other payables	CLP	13,254	16,514	14,491
Trade and other payables	UF	143	-	286
Trade and other payables	EUR	581	36	49
Related party payables, current	USD	31,975	33,150	29,611
Related party payables, current	CLP	837	1,577	1,672
Tax liabilities, current	CLP	9	10	26
Total		72,196	93,294	81,553

Non-current liabilities	Currency	12-31-2016 ThUS\$	12-31-2015 ThUS\$	12-31-2014 ThUS\$
Other non-current financial liabilities	USD	99,917	110,145	120,373
Payables, non-current	USD	-	-	262
Payables, non-current	CLP	128	-	-
Related party payables, non-current	USD	34,382	54,395	54,382
Related party payables, non-current	UF	20	17	17
Related party payables, non-current	CLP	959	5,544	(10,483)
Related party payables, non-current	YEN	1,011	968	1,096
Deferred tax liabilities	USD	3,892	-	101
Employee benefit provisions, non-current	CLP	136	125	147
Total		140,445	171,194	165,895

NOTE 29 - GUARANTEES AND CONTINGENCIES

a) Bank loan conditions

The Parent Company and its subsidiary Salmones Camanchaca S.A. have provided guarantees to Banco de Chile and other participating banks upon signing a Financial Rescheduling and Commitment Contract on May 30, 2013, recorded in a public deed with the same date, including guarantees and cross-guarantees. The details are as follows.

- i. Mortgages on plots of land, including everything built on them: Ten in the Tome area, three in the Caldera area, three in the Coronel area, two in the Puerto Montt area, one in the Chonchi area, one in the Talcahuano area and one in the Iquique area.
- ii. Naval mortgages on fishing vessels.

iii. Pledge

- a. Non-possessory pledges over the fishmeal plant in Iquique, salmon processing plant in Tome, Calbuco, fish farm in Petrohue and mussel processing plant in Chiloé.
- b. Compañía Pesquera Camanchaca S.A. has a pledge over all the shares of Salmones Camanchaca S.A., as owner of most of them, together with Inmobiliaria Camanchaca S.A. who owns one share.
- c. Compañía Pesquera Camanchaca S.A. has a pledge over 8,049,900 shares in Camanchaca Pesca Sur S.A., together with Camanchaca SpA., who owns 100 shares, which sum to a 70% interest.
- d. Non-possessory pledge over its tradable class A fishing licenses, attached to the vessels ships mortgaged to the banks.
- e. Salmones Camanchaca S.A. mortgaged to the banks all the aquaculture concessions that it owns for salmon and trout.
- f. Fiordo Blanco S.A. mortgaged to the banks all the aquaculture concessions that it owns for salmon and trout.

According to the terms of the Financial Rescheduling and Commitment Contract signed on May 30, 2013, the Parent Company agrees to comply with the obligations normally included in such contracts, and keep its financial borrowing ratio or leverage under 1.3 times, based on its annual consolidated financial statements.

Compañía Pesquera Camanchaca S.A. and Salmones Camanchaca S.A. became guarantors and joint and several guarantors to all the banks participating in the "Financial Rescheduling and Commitment Contract" signed on May 30, 2013, in order to guarantee the fulfilment of all the obligations for both companies and between them.

b) Direct guarantees

Guarantee creditor	Debtor		Assets involved Guarantee	Property	Book value ThUS\$	Debt value ThUS\$
	Name	Relationship				
Banco Chile	Salmones Camanchaca S.A.	Commercial	Property mortgage	Tome real estate	5,664	129,753
Banco Chile	Salmones Camanchaca S.A.	Commercial	Property mortgage	Puerto Varas real estate	2,215	-
Banco Chile	Salmones Camanchaca S.A.	Commercial	Property mortgage	Calbuco real estate	214	-
Banco Chile	Salmones Camanchaca S.A.	Commercial	Property mortgage	Salmon vessels	1,408	-
Banco Chile	Salmones Camanchaca S.A.	Commercial	Pledge	Machinery and equipment	10,393	-
Banco Chile	Salmones Camanchaca S.A.	Commercial	Pledge	Buildings and construction	11,510	-

c) Indirect guarantees

Guarantee creditor	Debtor		Assets involved Guarantee	Property	Book value ThUS\$	Debt value ThUS\$
	Name	Relationship				
Banco Chile	Camanchaca S.A.	Commercial	Property mortgage	Iquique real estate	1,640	85,224
Banco Chile	Camanchaca S.A.	Commercial	Property mortgage	Caldera real estate	7,719	-
Banco Chile	Camanchaca S.A.	Commercial	Property mortgage	Tome real estate	1,439	-
Banco Chile	Camanchaca S.A.	Commercial	Property mortgage	Vessels in Iquique	11,220	-
Banco Chile	Camanchaca S.A.	Commercial	Pledge	Machinery and equipment	8,884	-
Banco Chile	Camanchaca Pesca Sur S.A.	Commercial	Property mortgage	Coronel real estate	13,338	-
Banco Chile	Camanchaca Pesca Sur S.A.	Commercial	Property mortgage	Tome real estate	2,047	-
Banco Chile	Camanchaca Pesca Sur S.A.	Commercial	Property mortgage	Vessels in Coronel	35,871	-
Banco Chile	Camanchaca Pesca Sur S.A.	Commercial	Property mortgage	Maritime artifacts in Coronel	591	-
Banco Chile	Camanchaca Cultivos Sur S.A.	Commercial	Property mortgage	Chonchi real estate	7,214	-
Banco Chile	Camanchaca Cultivos Sur S.A.	Commercial	Pledge	Machinery and Equipment	3,702	-

d) Contingencies

The Company regularly evaluates the likelihood of loss on its litigation and contingencies, in accordance with estimates provided by its legal advisers. Detailed information relating to these processes is available, provided it does not compromise the Company's defense. Salmones Camanchaca S.A. has litigation or administrative proceedings before the Courts of Justice or administrative bodies at the reporting date. Therefore, it has created the following provisions as of December 31, 2016.

Proceedings	Number of cases	Accounting provision ThUS\$
Civil	7	60
Labor	2	8
Total	9	68

NOTE 30 - SANCTIONS

The Company, its Directors and Managers have not been subject to sanctions of any kind by the Superintendent of Securities and Insurance or other administrative authorities as of the date these financial statements were issued.

NOTE 31 – ENVIRONMENT

Salmones Camanchaca S.A. continuously renews its commitment to the environment, by implementing new processes and technologies at its production plants. This has enabled it to achieve a sustainable business, and to further develop its fishing activities and cultivate species in an efficient manner, while minimizing its impact on the environment.

The Company invested in the following environmental mitigation projects during the period January 1 to December 31, 2016.

Project	12-31-2016 Investment ThUS\$
Waste management	354
Environmental services	209
Total	563

The Company invested in the following environmental mitigation projects during the period January 1 to December 31, 2015.

Project	12-31-2015 Investment ThUS\$
Waste management	308
Environmental services	310
Total	618

The Company invested in the following environmental mitigation projects during the period January 1 to December 31, 2014.

Project	12-31-2014 Investment ThUS\$
Waste management	357
Environmental services	294
Total	651

The Company is committed to complying with all environmental regulations. In particular, it will continue to actively participate in discussions regarding projects that involve amendments and improvements to environmental and health regulations, to ensure that these can be implemented from a technical, financial, social and environmental perspective. It is dedicated to supporting the best proposal for the environment and developing the industry.

NOTE 32 - SUBSEQUENT EVENTS

a) An Extraordinary Shareholders Meeting was held on September 14, 2017, which agreed to increase the share capital, in order to consolidate ownership of all the assets used in breeding, harvesting and processing salmon by Salmones Camanchaca S.A. This capital increase will be achieved by Compañía Pesquera Camanchaca S.A. (Parent Company) transferring all the shares that it owns in Fiordo Blanco S.A. and Surproceso S.A.

This meeting also agreed to adopt new by-laws that meet the regulations governing publically-owned corporations, as soon as the Company and its shares have been registered in the Securities Registry of the Superintendent of Securities and Insurance. The purpose is to arrange an IPO for such shares and those issued in the future or their representative certificates.

The Company is committed to ensuring that this financial restructuring and strengthening process is concluded during 2017.

b) Compañía Pesquera Camanchaca S.A. (Parent Company) reported an essential event on September 20, 2017 to the Superintendent of Securities and Insurance that it had received a financing proposal from foreign banks for US\$ 165 million. This sum and its own resources would be sufficient to fully repay the bank obligations of the Company and its Parent Company.

This proposal complements the agreement that Company and its Parent Company have signed with DNB Bank ASA, a division of the Investment Bank of the Norwegian bank DNB Bank ASA. It grants a term of 12 months to assess the opportunities in Chilean and Norwegian capital markets, particularly the latter, for the Company to arrange an IPO of up to one-third of its shares or their representative certificates. The proceeds of the IPO will be used to finance the growth plan for the Parent Company and its subsidiaries, and repay part of the financing referred to above.

c) Between the reporting date and the date these financial statements were issued, Management was not aware of any other subsequent events that could significantly influence their interpretation.

d) Reissue of financial statements

On January 3, 2018, the Norwegian Food Safety Authority (NFSA), communicated to the Company an observation of the financial statements. This observation refers to the change in the wording of note 2 related to the improvement of disclosures required by the standard on which the financial statements are prepared, without substantially affecting the information contained in the financial statements originally presented, considered as a whole.

Consequently, in this new version of the financial statements the initial paragraph of Note 2.2 has been modified.

NOTE 33 - OTHER INFORMATION

The number of employees by category at the reporting date is as follows.

			12-31-2016
Laborers	Professionals and Technicians	Senior Executives	Total
875	249	15	1,139
875	249	15	1,139

			12-31-2015
Laborers	Professionals and Technicians	Senior Executives	Total
1,359	279	18	1,656
1,359	279	18	1,656

			12-31-2014
Laborers	Professionals and Technicians	Senior Executives	Total
1,428	295	12	1,735
1,428	295	12	1,735

NOTE 34 – FREE TRANSLATION

The Company has issued its financial statements in Spanish and in conformity with International Financial Reporting Standards. The financial statements presented herein represent a free translation from the original prepared in Spanish, and may include some minor changes which were made in order to provide a better understanding to users of these financial statements. Those changes do not modify the Company's net equity, its net income or its cash flows at each year or for any reported period herein presented.

APPENDIX C:

**INTERIM FINANCIAL INFORMATION FOR THE THREE AND NINE
MONTH PERIODS ENDED 30 SEPTEMBER 2017 AND 2016**



SALMONES CAMANCHACA S.A.

Interim financial statements

As of September 30, 2017

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Interim statement of changes in equity
Interim statement of net income by function
Interim statement of comprehensive income
Interim statement of cash flows, direct method
Notes to the interim financial statements

ThUS\$ - Thousands of United States dollars
UF - Unidades de fomento (a Chilean peso based inflation indexed currency unit)
ThCh\$ - Thousands of Chilean pesos

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SALMONES CAMANCHACA S.A.

INTERIM CLASSIFIED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS OF SEPTEMBER 30, 2017 AND DECEMBER 31, 2016

Assets	Note	September 30, 2017 ThUS\$	December 31, 2016 ThUS\$
Current assets			
Cash and cash equivalents	6	1,416	1,642
Other financial assets, current		30	2
Other non-financial assets, current	11	1,065	4,868
Trade and other receivables, current	7	13,322	27,684
Related party receivables, current	8	16,060	15,547
Inventories	9	25,594	23,344
Biological assets, current	10	102,088	60,977
Tax assets, current	13	1,398	1,857
Total current assets, other than assets held for sale		160,973	135,921
Non-current assets held for sale			
Non-current assets held for sale		0	0
Total current assets		160,973	135,921
Non-current assets			
Other financial assets, non-current		27	27
Other non-financial assets, non-current	11	112	112
Rights receivable, non-current	13	5,464	3,995
Receivables from related parties	8	-	-
Equity method investments	12	5,025	412
Intangible assets other than goodwill	14	7,083	4,216
Property, plant and equipment	15	71,029	69,005
Biological assets, non-current	10	27,578	17,199
Long-term deferred taxes	16	-	-
Total non-current assets		116,318	94,966
Total assets		277,291	230,887

The accompanying Notes 1 to 33 are an integral part of these interim financial statements.

SALMONES CAMANCHACA S.A.

INTERIM CLASSIFIED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS OF SEPTEMBER 30, 2017 AND DECEMBER 31, 2016

Liabilities	Note	September 30, 2017 ThUS\$	December 31, 2016 ThUS\$
Current liabilities			
Other financial liabilities, current	17	11,425	10,554
Trade and other payables, current	18	39,094	28,140
Related party payables, current	8	3,020	32,812
Tax liabilities, current	16	34	9
Employee benefits provisions, current	19	842	681
Total current liabilities		54,415	72,196
Non-current liabilities			
Other financial liabilities, non-current	17	94,825	99,917
Trade and other payables, non-current	18	97	128
Related party payables, non-current	8	9,733	36,372
Deferred tax liabilities	16	11,040	3,892
Employee benefit provisions, non-current	19	148	136
Total non-current liabilities		115,843	140,445
Net equity			
Share capital	20	73,422	34,843
Share premium	20	0	0
Retained earnings (accumulated losses)	20	10,195	-16,672
Other reserves	20	23,416	75
Total net equity		107,033	18,246
Total equity and liabilities		277,291	230,887

The accompanying Notes 1 to 33 are an integral part of these interim financial statements.

SALMONES CAMANCHACA S.A.
INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2016, AND THE YEAR ENDED DECEMBER 31, 2016

	Share capital ThUS\$	Share premium ThUS\$	Foreign currency conversion reserve ThUS\$	Other reserves ThUS\$	Total other reserves ThUS\$	Retained earnings (accumulated losses) ThUS\$	Equity attributable to owners of the parent company ThUS\$	Non-controlling interests ThUS\$	Total equity ThUS\$
Opening balance, January 1, 2016	34,843		55		55	-43,838	-8,940		-8,940
Changes in equity									
Comprehensive income									
Net income for the period						20,678	20,678		20,678
Other comprehensive income			49		49		49		49
Closing balance as of September 30, 2016	34,843	0	104	0	104	-23,160	11,787	0	11,787

	Share capital ThUS\$	Share premium ThUS\$	Foreign currency conversion reserve ThUS\$	Other reserves ThUS\$	Total other reserves ThUS\$	Retained earnings (accumulated losses) ThUS\$	Equity attributable to owners of the parent company ThUS\$	Non-controlling interests ThUS\$	Total equity ThUS\$
Opening balance, January 1, 2016	34,843		55		55	-43,838	-8,940		-8,940
Changes in equity									
Comprehensive income									
Net income for the period						27,166	27,166		27,166
Other comprehensive income			20		20		20		20
Closing balance as of December 31, 2016	34,843	0	75	0	75	-16,672	18,246	0	18,246

	Share capital ThUS\$	Share premium ThUS\$	Foreign currency conversion reserve ThUS\$	Other reserves ThUS\$	Total other reserves ThUS\$	Retained earnings (accumulated losses) ThUS\$	Equity attributable to owners of the parent company ThUS\$	Non-controlling interests ThUS\$	Total equity ThUS\$
Opening balance, January 1, 2017	34,843	0	75	0	75	-16,672	18,246		18,246
Capital increase	38,579			23,943	23,943		62,522		62,522
Changes in equity									
Comprehensive income									
Net income for the period						26,867	26,867		26,867
Other comprehensive income			-602		-602		-602		-602
Closing balance as of September 30, 2017	73,422	0	-527	23,943	23,416	10,195	107,033	0	107,033

The accompanying Notes 1 to 33 are an integral part of these interim financial statements.

SALMONES CAMANCHACA S.A.

INTERIM STATEMENT OF NET INCOME BY FUNCTION (UNAUDITED)

FOR THE NINE AND THREE MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2016

	Note	For the nine months ended September 30,		For the three months ended September 30,	
		2017	2016	2017	2016
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	22	124,820	160,189	36,690	55,166
Cost of sales	11	-84,826	-147,127	-25,777	-40,745
Gross margin before fair value		39,994	13,062	10,913	14,421
Gain (loss) on fair value of biological assets	10	39,953	50,204	25,409	29,588
Fair value adjustment to biological assets harvested and sold	10	-31,953	-14,575	-6,809	-14,903
Gross margin		47,994	48,691	29,513	29,106
Administrative expenses	23	-8,313	-6,671	-2,681	-2,308
Distribution costs	24	-3,083	-5,272	-918	-1,367
Finance costs	25	-2,750	-2,658	-894	-879
Share of net income (losses) of equity method associates		146	118	67	64
Exchange differences	26	-120	-768	237	-36
Other gains (losses)	27	597	-5,909	793	6
Finance income		36	42	0	18
Net income before tax		34,507	27,573	26,117	24,604
Income tax (expense) income	16	-7,640	-6,895	-5,104	-6,750
Net income from continuing operations		26,867	20,678	21,013	17,854
Net income from discontinued operations					
Net income for the period		26,867	20,678	21,013	17,854
Net Income attributable to:					
Net income attributable to owners of the parent company		26,867	20,678	21,013	17,854
Net income attributable to non-controlling interests		0	0	0	0
Net income for the period		26,867	20,678	21,013	17,854
Earnings per share					
Basic earnings per share (US\$/share)	21	49.1775	100.3489	38.5000	86.6000
Earnings per share on discontinued operations (US\$/share)		0.0000	0.000	0.000	0.000
Basic earnings per share		49.2000	100.3000	38.500	86.600

The accompanying Notes 1 to 33 are an integral part of these interim financial statements.

SALMONES CAMANCHACA S.A.

INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE NINE AND THREE MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2016

	For the nine months ended September 30,		For the three months ended September 30,	
	2017 ThUS\$	2016 ThUS\$	2017 ThUS\$	2016 ThUS\$
Net income for the period	26,867	20,678	21,013	17,854
Gain (loss) from cash flow hedge				
Gain (loss) from foreign currency conversion	-602	49	-603	23
Other income and expenses charged or credited to equity				
Total comprehensive income	26,265	20,727	20,410	17,877
Comprehensive income attributable to:				
Owners of the parent company	26,265	20,727	20,410	17,877
Non-controlling interests	0	0	0	0
Total comprehensive income	26,265	20,727	20,410	17,877

The accompanying Notes 1 to 33 are an integral part of these interim financial statements.

SALMONES CAMANCHACA S.A.

INTERIM STATEMENT OF CASH FLOWS, DIRECT METHOD (UNAUDITED)

FOR THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2016

	For the nine months ended September 30, 2017 ThUS\$	For the nine months ended September 30, 2016 ThUS\$
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Receipts		
Receipts from the sale of goods & provision of services	164,261	172,663
Payments		
Payments to suppliers for goods and services	-126,128	-114,492
Payments to and on behalf of employees	-15,745	-15,551
Interest paid	-1,773	-1,741
Interest received	37	42
Income taxes received (paid)	79	-47
Other cash receipts (payments)	-1	1,825
Cash flows from operating activities	20,730	42,699
CASH FLOWS USED BY FINANCING ACTIVITIES		
Receipts from short-term loans		
Loan repayments	-5,159	-5,460
Payments to related parties	-5,426	-22,825
Receipts from related parties	68	
Cash flows used by financing activities	-10,517	-28,285
CASH FLOWS USED BY INVESTING ACTIVITIES		
Receipts from the sale of property, plant and equipment	104	0
Purchases of property, plant and equipment	-10,553	-7,643
Other cash receipts (payments)	67	0
Cash flows used by investing activities	-10,382	-7,643
Net increase (decrease) in cash and cash equivalents, before the effect of changes in exchange rates	-169	6,771
Effects of changes in exchange rates on cash and cash equivalents	-230	-209
NET INCREASE IN CASH AND CASH EQUIVALENTS	-399	6,562
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,815	1,774
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,416	8,336

The accompanying Notes 1 to 33 are an integral part of these interim financial statements.

SALMONES CAMANCHACA S.A.
NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2017 (UNAUDITED)

NOTE 1 - GENERAL INFORMATION

Salmones Camanchaca S.A. was constituted as a private limited company when Compañía Pesquera Camanchaca S.A. split on January 1, 2009, in accordance with a public deed dated June 26, 2009 legalized before the Public Notary Mr. Félix Jara Cadot. The purpose of the Company is breeding, producing, marketing and farming salmon, trout and other species or organisms whose normal and most frequent environment is water, including research and development of salmonidae genetics, farming, cultivating, processing, producing and marketing sea-food. An Extraordinary General Shareholders' Meeting held on October 23, 2009 agreed that Salmones Camanchaca S.A. should become a direct subsidiary of Compañía Pesquera Camanchaca S.A. following a reorganization of the salmon business within the Group. Therefore, the latter company increased its share capital. This increase was paid for by all the shareholders in Salmones Camanchaca S.A. contributing all their shares, except one, to Compañía Pesquera Camanchaca S.A. The remaining share belonged to Inmobiliaria Camanchaca Ltda.

The Company is a major market player in the salmon farming business. The principal characteristic of Salmones Camanchaca is its fully integrated value chain, including the genetic development of breeders and all the facilities required to produce fry, smolts and sea grow-out sites; primary and value-added processing plants; and sales and marketing using its own overseas sales channels or those belonging to its parent company, Compañía Pesquera Camanchaca S.A., in the USA, Japan, China and representation agencies in Mexico.

The main formats for selling Atlantic Salmon are Trim C, D, and E, HG and Hon fillets, in 4, 5, 6, and 8 oz. portions. The company prepares its products in plants located in the VIII and X regions. They are mainly sold into the North American, Japanese and Brazilian markets.

Salmones Camanchaca S.A. has participated since 2016 as a "participant" in a joint venture partnership to produce and market trout. It has contributed maritime concessions to this partnership. The "Manager" of this joint venture partnership is Caleta Bay S.A. and the other partner is Kabsa S.A. Partnership net income is divided in equal parts between these three companies.

The financial statements of Salmones Camanchaca S.A. for the nine-month period ended September 30, 2017 were approved by the Board of Directors at a meeting held on November 9, 2017.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used to prepare the interim financial statements of Salmones Camanchaca S.A. have been applied in a uniform manner, and are described as follows.

2.1 Period covered

These financial statements cover the following periods:

- Classified interim statements of financial position as of September 30, 2017 and December 31, 2016.
- Interim statements of net income by function for the nine month periods ended September 30, 2017 and 2016.
- Interim statements of comprehensive income for the nine month periods ended September 30, 2017 and 2016.
- Interim statements of cash flows, direct method for the nine month periods ended September 30, 2017 and 2016.
- Interim statements of changes in net equity between January 1, and September 30, 2017 and for the year ended December 31, 2016.

2.2 Basis of preparation

These interim financial statements of Salmones Camanchaca S.A. as of September 30, 2017 were prepared in accordance with International Financial Reporting Standards (IFRS). In compliance with regulations and instructions issued by the Chilean Superintendent of Securities and Insurance (SVS), additional disclosures are included in the notes to the interim financial statements. These are additions to and not deviations from IFRS.

The presentation of the financial statements in accordance with IFRS requires the use of specific accounting estimates and also requires management to exercise its judgment when implementing the Company's accounting policies. Note 5 of these interim financial statements disclose the areas that involve a higher degree of judgment and complexity, where the assumptions and estimates are significant to the financial statements.

These interim financial statements of Salmones Camanchaca S.A. have been prepared from accounting records held by the Company. The figures in these interim financial statements are expressed in thousands of US dollars, which is the Company's functional currency.

There are no significant uncertainties regarding events or conditions as of the reporting date that may cast doubt on the Company's ability to continue functioning normally as a going concern.

2.3 New accounting pronouncements

- a) Standards, interpretations and amendments that are mandatory for the first time for financial periods beginning on January 1, 2017.

Amendments and improvements

Amendments to IAS 7 "Statement of Cash Flow" - issued in February 2016. The amendment introduces additional disclosure that enables users of financial statements to evaluate changes in obligations from financing activities.

Amendment to IAS 12 "Income Tax" - issued in February 2016. The amendment clarifies how to account for deferred tax assets relating to debt instruments valued at fair value.

Amendment to IFRS 1 "First-time adoption of IFRS" regarding suspending short-term exceptions for first time adopters with respect to the IFRS 7, IAS 19 and IFRS 10. - issued in December 2016.

Amendment to IFRS 12 "Disclosures of Interests in Other Entities" - issued in December 2016. The

amendment clarifies the scope of this standard. These amendments must be applied retroactively to annual periods beginning on or after January 1, 2017.

Amendment to IAS 28 "Investments in associates and joint ventures", relating to measuring the associate or joint venture at fair value - issued in December 2016.

The adoption of the standards, amendments and interpretations described above, do not have a significant impact on the Company's financial statements.

- b) Standards, interpretations and amendments issued, but not yet mandatory and which have not been adopted early.

Standards and Interpretations	Mandatory for annual periods beginning
IFRS 9 "Financial Instruments" - issued in July 2014. The IASB has issued the full version of IFRS 9, which replaces the guidance in IAS 39. This final version includes the classification and valuation requirements of financial assets and liabilities and a model of expected credit losses that replaces the current impairment loss model. The part relating to hedge accounting within this final version of IFRS 9 had already been published in November 2013. Early adoption is permitted.	01/01/2018
IFRS 15 "Revenue from Contracts with Customers" - issued in May 2014. It establishes the principles applicable to information disclosures in financial statements in relation to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The basic principle is that an entity recognizes revenue that represents the transfer of goods or services promised to customers for an amount that reflects the consideration, which the entity expects to receive in exchange for those goods or services. It replaces IAS 11 Construction Contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programs; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers, and SIC-31 Revenue – Barter Transactions Involving Advertising Services. Early implementation is permitted.	01/01/2018
IFRS 16 "Leases" - issued in January 2016. Establishes the standards to recognize, measure, present and disclose leases. IFRS 16 replaces IAS 17 and introduces a unique lessee accounting model that requires a lessee to recognize the assets and liabilities of all rental contracts with a term of over 12 months, unless the underlying asset is of low value. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, and early application is permitted for entities that apply IFRS 15 or before the date that IFRS 16 is initially applied.	01/01/2019

IFRS 17 "Insurance Contracts" -issued in May 2017, replaces the current IFRS 4. IFRS 17 will change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features. The standard applies to annual periods beginning on or after 1 January 2021, and early application is permitted for entities that apply IFRS 15, "Revenue from contracts with customers" and IFRS 9, "Financial Instruments".	01/01/2021
IFRIC 22 "Transactions in Foreign Currency and Advance Payments" - issued in December 2016. This Interpretation applies to a foreign currency transaction (or part of it) when an entity recognizes a non-financial asset or liability that arises from the payment or collection of an advance payment before the entity recognizes the related asset, expense or income (or part of it). The interpretation provides a guide for when a single payment / receipt is made, as well as for situations involving multiple payments / receipts. Its purpose is to reduce practical diversity.	01/01/2018
IFRIC 23 "Uncertainty over Income Tax Treatments". -issued in June 2016. This interpretation clarifies how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty regarding income tax treatment.	01/01/2019
Amendment to IFRS 2 "Share-based Payments" - issued in June 2016. The amendment clarifies the measurement of share-based payments settled in cash and the accounting of changes to such payments when they are settled with equity instruments. Additionally, it introduces an exception to the principles of IFRS 2 that will require accounting for these awards as if they were fully settled as equity instruments, when the employer is obliged to withhold tax related to share-based payments.	01/01/2018
Amendment to IFRS 15 "Revenue from Contracts with Customers" - issued in April 2016. The amendment introduces clarifications to the guide that identifies performance obligations in contracts with customers, accounting for intellectual property licenses and the evaluation of principal versus agent (gross versus net income presentation). It includes new and amended illustrative examples as a guide, as well as practical examples related to the transition to the new revenue standard.	01/01/2018
Amendment to IFRS 4, "Insurance Contracts", with regard to applying IFRS 9 "Financial Instruments". - issued in September 2016. The amendment introduces two approaches: (1) Overlay approach, which gives all companies that emit insurance contracts the option to recognize in other comprehensive income, instead of gains and losses the volatility that could arise when IFRS 9 is applied under the new insurance contracts standard; and (2) Temporary waiver of IFRS 9, that enables companies whose business is predominantly related to insurance, to optionally waive IFRS 9 until 2021, and continue applying IAS 39 until then.	01/01/2018
Amendment to IAS 40 "Investment properties", relating to investment property transfers. - issued in December 2016. The amendment clarifies that there must be a change in use to transfer to or from an investment property. To conclude, a change in use of a property must be supported by an evaluation and evidence to ensure that the property change complies with the definition.	01/01/2018

Amendment to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - issued in September 2014. This amendment addresses an inconsistency between the requirements of IFRS 10 and IAS 28 in the treatment of the sale or provision of goods between an investor and its associate or joint venture. The main consequence of these amendments is that they recognize a full gain or a loss when the transaction involves a business (whether or not in a subsidiary) and a partial gain or loss when the transaction involves assets that do not constitute a business, even if these assets are in a subsidiary. Undetermined

The Company's management believes that the future adoption of the above standards, amendments and interpretations will have no significant impact on the Company's financial statements when they are first applied. However, it is particularly analyzing the effects of implementing IFRS 9, 15 and 16.

2.4 Basis of Consolidation

a) Subsidiaries

Subsidiaries are all the entities over which the Group has the power to direct its financial and operating policies. Such power is generally associated with an ownership interest of more than half of the voting rights. When evaluating whether Group controls another entity, all its currently exercisable or convertible voting rights and their effects are considered. Subsidiaries are consolidated from the date on which control is transferred to the Group, and they are excluded from consolidation on the date such control ceases.

The acquisition method is used to account for the acquisition of subsidiaries by the Group. The acquisition cost is the fair value of the assets delivered, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets, liabilities and contingencies acquired in a business combination are initially valued at their fair value on the acquisition date, regardless of the extent of minority interests. At each acquisition, the Group recognizes any minority interest at its fair value, or the proportional value of the minority interest over the fair value of the acquired net assets.

The surplus acquisition cost over the fair value of the Group's share of the acquired net identifiable assets is recognized as purchased goodwill. If the acquisition cost is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly in the income statement.

Intercompany transactions, balances and unrealized gains on transactions between Group entities are eliminated. Unrealized losses are also eliminated, unless that transaction provides evidence that the transferred asset is impaired. The accounting policies at subsidiaries are amended as necessary, to ensure that Group policies have been consistently adopted.

Salmones Camanchaca S.A. began a corporate restructuring process in September 2017. Accordingly, on September 11, 2017 the Company transferred all the shares it held in Transportes Interpolar Ltda. to Compañía Pesquera Camanchaca S.A. and Camanchaca SpA leaving them with an interest of 99% and 1%, respectively, in Transportes Interpolar Ltda.

An Extraordinary Shareholders Meeting was held on September 14, 2017, which agreed to increase the share capital, in order to consolidate ownership of all the assets used in salmon smolt stocking, harvesting and processing by Salmones Camanchaca S.A. This capital increase was completed when Compañía Pesquera Camanchaca S.A. (Parent Company) contributed all the shares that it owned in Fiordo Blanco S.A. and Surproceso S.A.

This meeting also agreed to adopt new by-laws that meet the regulations governing publically-owned corporations, as soon as the Company and its shares have been registered in the Securities Registry of the Superintendent of Securities and Insurance. The purpose is to arrange an IPO for such shares and those issued in the future or their representative certificates.

The parent company is called Compañía Pesquera Camanchaca S.A. and on September 20, 2017 it reported a Material Event to the Superintendent of Securities and Insurance that it and its subsidiary Salmones Camanchaca S.A. had signed an agreement with DNB Markets, which granted it a mandate for 12 months to assess the opportunities in the Chilean and Norwegian capital markets, with a special focus on the latter. The purpose being for the subsidiary Salmones Camanchaca S.A. to make a public offering of up to one-third of its shares or representative certificates. The proceeds from the public offer will be used to finance the growth plan for the parent company and its subsidiaries, and repay part of the Company's debt financing.

The Company is committed to ensuring that this financial restructuring and strengthening process is concluded during 2017.

The previously mentioned reorganization means that Salmones Camanchaca S.A. shall consolidate Fiordo Blanco S.A. as it owns 99.99% of its shares.

Associates

Associates are defined as all entities over which the Company exercises significant influence but does not control its financial and operational policies. It generally has an interest in the voting rights of between 20% and 50%. Investments in associates are accounted for using the equity method and are initially recognized at cost.

Salmones Camanchaca S.A.'s share in net income or losses subsequent to acquiring its associates are recognized in net income, and its share of equity movements (that are not due to net income) subsequent to the acquisition are recognized in reserves, and reflected as appropriate in the statement of comprehensive income. When the Company's share of an associate's losses is equal to or greater than its share in that company, including any other unsecured receivables, the Company does not recognize further losses unless it has incurred obligations or made payments on behalf of that associate.

Unrealized gains on transactions between Salmones Camanchaca S.A. and its associates are eliminated according to the Company's percentage interest in them. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the transferred asset.

Surproceso S.A. is a company that provides aquaculture services. It has a commercial relationship with Salmones Camanchaca S.A. providing it with slaughtering and gutting services. Compañía Pesquera Camanchaca S.A. owned 33.3 % of this company, but under the corporate restructuring in September this year, all these shares were transferred to Salmones Camanchaca S.A., who now owns that percentage.

2.5 Operating segment reporting

IFRS 8 requires entities to adopt "Management's approach" when disclosing information about the outcome of their operating segments. In general, this is the information that Management uses internally to evaluate segment performance and to allocate resources to segments.

Salmones Camanchaca S.A. has only one operating segment, according to this standard.

2.6 Foreign currency transactions

a) Presentation currency

The items included in the Company's financial statements are valued using the currency of the principal economic environment in which the entity operates (functional currency), which is also the presentation currency for the statements of financial position.

b) Functional currency

Based on the instructions and definitions provided in IAS 21, functional currency is the currency of the primary economic environment in which the entity operates.

Therefore, the Company has established that the conditions that support the functional currency are as follows.

Factors	Currency
The currency that primarily influences the selling prices of goods and services; normally the price used to describe and pay for them.	US dollar ¹
The currency that principally affects the costs of labor, materials and other costs to produce goods or provide services, normally the price used to describe and pay for such costs.	US dollar and Chilean peso ²
The currency used to collect receipts for billed operational activities.	US dollar

The following aspects were also considered when selecting the Company's functional currency.

- The currency used by the Company's financing activities, such as bank obligations and equity, is the US dollar.
- The currency primarily used to invest the receipts from the Company's billed operational activities is the US dollar.

Therefore, the Company considers that, under the current circumstances the functional currency of Salmones Camanchaca S.A. is the US dollar.

c) Transactions and balances

Transactions in foreign currencies other than the functional currency are converted to the functional currency using the exchange rate in effect as of the transaction date. Gains and losses on foreign currencies resulting from settling these transactions, and the conversion of monetary assets and liabilities denominated in foreign currencies at closing rates, are recognized in the statement of net income.

¹ US dollar

² Chilean peso

d) Exchange rates

The company has converted its monetary assets and liabilities, using the following exchange rates to the US dollar.

Date	Ch\$/US\$	UF / US\$	Euro / US\$	Yen / US\$	Nok / US\$
9/30/2017	637.93	0.0239	0.8472	112.6600	7.9695
12/31/2016	669.47	0.0254	0.9488	116.836	8.6227
9/30/2016	658.02	0.0251	0.8907	101.4200	7.9970

2.7 Property, plant and equipment

The Company's property, plant and equipment is made up of land, building, infrastructure, machinery, equipment and other fixed assets. The main types of property, plant and equipment are: Production plants, naval equipment (pontoons), hatchery centers and fattening centers.

Land, buildings, plants, equipment and machinery are recognized at their historical cost less depreciation. Historical cost includes the fair value considered attributed cost according to IFRS 1. This historical cost includes expenditure that is directly attributed to acquiring the asset.

Subsequent costs are included in the initial value of the asset, or recognized as a separate asset, only when it is likely that the future financial benefits associated with these components will flow to the Company and the cost of these components can be determined reliably. The value of the replaced component is expensed.

Land is not depreciated.

Depreciation of other items of property, plant and equipment is calculated using the straight-line method, in order to allocate their cost over their estimated technical useful lives.

	Years
Constructions	10 - 50
Infrastructure	10
Machinery	3 - 20
Equipment	5 - 20
Vehicles	7 - 10
Furniture and accessories	3 - 10

The residual value and useful life of these assets are reviewed and adjusted when necessary at each reporting date.

When the book value of an asset is greater than its estimated recoverable value, its book value is immediately reduced to its recoverable value.

Losses and gains on sales of assets are calculated by comparing the proceeds with the book value, and presented in the statement of net income.

2.8 Biological assets

Biological assets include the following.

Biological assets that include groups or families of breeders, such as eggs, smolts, fish being fattened at sea, are valued at initial recognition and subsequently at their fair value, less estimated selling costs, except where their fair value cannot be reliably measured, in accordance with IAS 41. Therefore, in the first instance an active market for these assets is sought.

As there is no active market for live fish at all their stages, they are valued as freshwater fish, such as breeders, eggs, fry and smolts, using their cumulative costs at the reporting date.

The valuation criteria for fish that are being fattened is fair value. This is understood to be their market price less their estimated processing and selling costs. There is a market for fish being fattened that are over a certain size, which is 4.00kg for Atlantic salmon. The market price is used in both cases, adjusted appropriately for each group in the sea at the reporting date, from which the harvesting, processing, packaging, distributing and selling costs are deducted. The volume is adjusted for process wastage.

Smaller fish are valued at cost, and are subject to impairment testing.

Changes in the fair value of biological assets are recorded in the statement of net income for the period.

Biological assets that will be harvested in the next 12 months are classified as current biological assets.

The gain or loss on the sale of these assets may vary in comparison to their calculated fair value at the reporting date.

The Company uses the following method.

Stage	Asset	Valuation
Fresh Water	Eggs, fry, smolts and breeders	Direct and indirect cumulative costs in their various stages.
Sea Water	Salmon	Fair Value, as there is a market with reference prices and companies that sell these assets. In the absence of a market, accumulated cost at the reporting date, net of impairment, (which is applied and recorded if appropriate.)

- Valuation model

Each group of fish is valued and uses the biomass of fish at the end of each month. The detail includes the total number of fish being fattened, their estimated average weight and the cost of fish biomass. The value is estimated from the average weight in that biomass, which in turn is multiplied by the market price per kilo. The market price is normally obtained from published international prices.

- Assumptions used to calculate the fair value of fish being fattened

The estimated fair value of fish biomass is based on the following items: volume of fish biomass, average biomass weight, weight distribution at harvest and market prices.

- Volume of fish biomass

The volume of fish biomass is based on the number of smolts in the sea, their estimated growth and their mortality during the period, etc. Uncertainty with respect to the volume of biomass is normally lower in the absence of mass mortality events or acute diseases during the cycle.

- Distribution of harvest weights

Fish grow at various rates, so there is always a wide variation in the quality and size of the fish around the average. The distribution of fish quality and size is important, as these attract different prices on the market.

The value of fish biomass is based on a normal weight distribution.

- Market Prices

Salmones Camanchaca S.A. calculates fair value using the price of products in representative markets that can be obtained from frequently published independent external sources.

Therefore, the reference prices for Atlantic salmon are published by Urner Barry Publications Inc. in their report "Urner Barry's Seafood Price-Current" based on transactions of at least 3,500 pounds. The price used is the FOB price of "Trim D" fresh fillet, from Chile to Miami (USA).

Urner Barry is a business editor specializing in timely, reliable and impartial news and market quotations for customers in segments related to the food industry, through a variety of printed and virtual media.

- Hierarchy

Fair value hierarchy is determined according to the data source, according to the IFRS 13. The Company's valuation model uses hierarchy level II. The most significant unobserved variable is the average weight for both species.

2.9 Intangible assets other than goodwill

a) Aquaculture concessions

Aquaculture concessions acquired from third parties are presented at historical cost. The useful life of concessions is indefinite, because they have no expiry date or a foreseeable lifetime, so they are not amortized. This status of indefinite useful life is reviewed at each reporting date, in order to assess whether events and circumstances continue to support an indefinite useful life for that asset. These assets undergo impairment testing on a yearly basis.

b) Research and development expenses

Research expenses are expensed when incurred. The directly attributable costs of development projects relate to the design and testing of new or improved products. These are recognized as intangible assets when the following criteria are met.

- It is technically feasible to fully produce the intangible asset, to the point where it can be used or sold.
- Management intends to complete the intangible asset, and to use or sell it.
- The Company has the ability to use or sell it.
- The Company can demonstrate how the intangible asset is likely to generate financial benefits in the future.
- The Company has sufficient technical, financial or other resources, to complete development and to use or sell the intangible asset.
- The expenditure attributable to developing the intangible asset can be reliably measured.

2.10 Interest costs

Interest costs incurred in the construction of any qualified asset are capitalized over the period needed to complete and prepare the asset for its intended use. Other interest costs are expensed.

2.11 Impairment losses on non-financial assets

Assets with indefinite useful lives are not amortized and are tested yearly for impairment losses. Amortized assets are tested for impairment whenever an event or change in circumstances indicates that their book value may not be recoverable. An impairment loss is recognized for the amount by which the asset's book value exceeds its recoverable value. The recoverable value is the greater of the fair value of an asset less selling costs, or its value in use. Impairment is assessed by grouping assets at the lowest levels at which they generate separately identifiable cash flows (cash-generating units). Non-financial assets that have been impaired are reviewed at every reporting date to identify whether any reversals have occurred.

2.12 Financial assets

The Company classifies its financial assets into the following categories: at fair value through net income, loans and receivables, assets held-to-maturity and assets held-for-sale. The classification depends on why the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition.

Classification of financial assets

a) Financial assets at fair value through net income.

Financial assets at fair value through net income are financial assets held for trading. A financial asset is classified in this category if acquired principally to sell in the short term. Assets in this category are classified as current assets.

The Company records the following financial assets in this category:

- Mutual funds
- Investment covenants

b) Trade and other receivables

Receivables are recognized at their nominal value and are non-derivative financial assets with a fixed or determinable value and without a market price. Those assets that will mature in less than 12 months are classified as current assets. Those assets that will mature in greater than 12 months are classified as non-current assets.

The Company records sales receivables and other receivables in this category. They are initially recognized at fair value, recognizing a financial result for the period between their recognition and subsequent valuation. Sales receivables and other receivables are valued at their nominal value, as the Company collects these over a short period.

c) Valuation of financial assets

Purchases and sales of financial assets are recognized as of the transaction date, i.e. the date when the Company commits to purchase or sell the asset.

- Initial recognition: Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through net income. Financial assets at fair value through net income are initially recognized at fair value and transaction costs are expensed.
- Subsequent valuation: Financial assets at fair value through net income are subsequently recorded at fair value.

Investments are derecognized when the rights to receive cash flows from an investment have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets may be impaired.

2.13 Inventories

Inventory is valued at its cost or net realizable value, whichever is lower. Cost is calculated using the average cost method.

The cost of finished and in-process products includes the costs of raw materials, direct labor, other direct costs and general manufacturing expenses, based on normal operating capacity, but excluding interest.

Net realizable value is the estimated sales price during the normal course of business, less any variable selling costs.

Obsolete or slow-moving products are recognized at their recoverable value.

2.14 Trade and other receivables

Trade receivables are initially recognized at fair value (nominal value including implicit interest), and they are subsequently recognized at their amortized cost according to the effective interest rate method, less provisions for impairment losses.

Implicit interest must be disaggregated and recognized as financial income to the extent that such interest has accrued.

The provision is the difference between the asset's book value and the present value of its estimated future cash flows, discounted using the effective interest rate.

However, if the difference between the nominal value and the fair value is not significant, the nominal value is used.

Doubtful debt provisions on trade and other receivables are based on a stratification of the customer portfolio and the age of those debts. An individual analysis is performed for those cases that have exceeded the normal collection period and the Company believes that collection is doubtful.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash balances, time deposits with financial institutions, and other highly liquid, short-term investments originally maturing in less than three months.

2.16 Share capital

Share capital is represented by ordinary shares.

Incremental costs directly attributable to new share issues or options are presented in net equity as a deduction from their proceeds.

Legal minimum dividends on ordinary shares are recognized as a reduction in equity when they are accrued.

2.17 Trade and other payables

Trade payables are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method.

However, similarly to trade receivables, if the difference between the nominal value and the fair value is not significant, the nominal value is used.

2.18 Interest-bearing loans

Obligations to banks and financial institutions are initially recognized at fair value, net of transaction costs. Subsequently, loans are valued at their amortized cost. Any difference between the proceeds, net of any transactions costs, and their repayable value, is recognized in the statement of net income during the loan term, in accordance with the effective interest rate method. The effective interest rate method applies the interest rate that exactly matches the discounted future repayments to the initial net value of the liability.

2.19 Income and deferred taxes

Income tax expense for the period includes both current and deferred taxes.

Current income taxes are based on the tax laws at the reporting date.

Deferred taxes are calculated using the liability method on temporary differences that arise between the tax value of assets and liabilities and their book values. However, if deferred taxes arise from the initial recognition of a liability or an asset in a transaction other than a business combination, which at the time of the transaction do not affect accounting net income nor taxable profit, then they are not accounted for.

Deferred tax is calculated using the current tax rates and laws, or those about to be approved at the reporting date, which are likely to be applicable when the corresponding deferred tax asset is collected or deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is likely that future tax benefits are available to offset such temporary differences.

Current and deferred income taxes are recognized in the statement of net income, except for taxes arising on items recognized in other comprehensive income, directly in equity, or on a business combination. In which case, the corresponding tax is also recognized in other comprehensive income, directly in the statement of net income, or in commercial goodwill, respectively.

2.20 Employee benefits

a) Staff vacations

The Company recognizes the expense for staff vacations using the accrual method, which is recorded at its nominal value. The staff vacation benefit does not represent a significant amount in the statement of comprehensive income.

b) Severance indemnities

This liability is the present value of defined benefit obligations at the reporting date. It is calculated annually using actuarial assumptions and by discounting the corresponding estimated cash flows. Gains and losses that arise from adjustments that reflect experience and changes in actuarial assumptions are charged or credited to the statement of net income or equity, depending on their nature, in the period in which they arise.

The parameters used in the actuarial valuation model are as follows: mortality and invalidity rates, discount rates, salary growth rates and staff turnover rates due to resignations.

2.21 Provisions

Provisions are recognized when:

- i) The Company has a legal or implicit obligation, as a result of past events.
- ii) It is likely that a disbursement will be necessary to settle the obligation.
- iii) The amount can be reliably estimated.
- iv) Provisions are measured at the present value of Management's best estimate of the expenditures required to settle the obligation. The discount rate used to calculate the present value reflects current market assessments at the reporting date of the time value of money, as well as any specific risks related to the particular liability.

2.22 Revenue recognition

Revenue includes the fair value of consideration received or to be received for the sale of goods and services in the ordinary course of the Company's business. Revenue is presented net of value added tax, and any refunds, rebates and discounts.

The Company recognizes revenue when its value can be reliably measured, it is probable that future financial benefits will flow to the Company, and conditions specific to each of the Company's businesses have been met, as follows.

a) Sales of goods

Sales of goods are recognized when the Company has transferred the risks and rewards of owning those products to the customer, who has accepted them, their value can be reliably calculated and it is likely that this amount will be collected.

b) Interest income

Interest income is recognized on the proportion of elapsed time, using the effective interest rate method.

c) Services provided

Revenue from services are recorded when the service has been provided. A service is considered as provided when the customer confirms satisfactory completion.

2.23 Leasing

a) When the Company is the lessee - Operating leases

Leases in which the lessor conserves a significant part of the risks and rewards of ownership of the good are classified as operating leases. Payments for operating leases, net of any incentive received from the lessor, are charged to the statement of net income on a straight-line basis over the lease term.

b) When the Company is the lessor - Operating leases

Assets leased to third parties under operating lease contracts are included in property, plant and equipment or investment property, as appropriate.

Income from operating leases is recognized in the statement of net income on a straight-line basis over the lease term.

2.24 Dividend policy

The Company has defined the following dividend policy, in accordance with its by-laws.

Financial statements shall be prepared as of December 31 each year.

Net income for the year will be distributed as follows.

a) No less than thirty percent to be distributed as a dividend in cash to shareholders, in proportion to their shares.

b) The balance to be used to form reserves, as agreed by an Annual General Shareholders' Meeting.

As the Company has accumulated losses, any net income that arises will be used to absorb such losses.

2.25 Environment

The disbursements associated with improvements and investments in productive processes that improve environmental conditions are recorded as an expense or investment in the period in which they arise. When these disbursements are part of investment projects, they are recorded as increases to property, plant and equipment.

The Company has established the following disbursements for environmental protection projects.

a) Disbursements relating to improvements and investments in productive processes that improve environmental conditions.

b) Disbursements relating to verifying and monitoring regulations and laws covering industrial processes and facilities.

c) Other disbursements that affect the environment.

NOTE 3 - FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to various financial risks: credit risk, liquidity risk, interest rate risk and market risk.

3.1. Credit risk

a) Customer portfolio risk

The Company has no customers in arrears but not impaired as of the reporting date.

b) Sales risk

The Company uses the usual tools operating in the industry to market its products. These are contracted with recognized and qualified insurance companies and financial institutions. These tools are insurance policies covering credit, transport and cargo, confirmation of letters of credit, etc. Where collection is directly performed by the Company, this is substantiated by a long-term business relationship, a full record of payment behavior and recognized financial solvency.

The Company has established policies to ensure that product sales on credit are made to customers with an appropriate credit history. The Company mostly sells into the wholesale market, and export sales are supported by letters of credit. Domestic sales are preferably to customers with an appropriate credit history.

3.2. Liquidity risk

The Company's liquidity risks arise from a shortfall of funds for operating costs, finance costs, investments, debt repayments and dividends, compared its sources. This risk is mitigated through prudent liquidity management, which involves holding sufficient cash and marketable securities, together with balanced bank financing.

Capital and interest commitments over the terms of bank loans and other commitments are as follows.

a) As of September 30, 2017

Item	Between 1 and 3 months ThUS\$	Between 3 and 12 months ThUS\$	Between 1 and 5 years ThUS\$	Over 5 years ThUS\$	ThUS\$
Interest-bearing loans	6,842	6,760	98,988		112,590
Trade and other payables	31,092	7,295	97	-	38,484
Related party payables, current	3,020	-	-		3,020
Related party payables, non-current				9,733	9,733
Total	40,954	14,055	99,085	9,733	163,827

b) As of December 31, 2016

CONCEPT	Between 1 and 3 months ThUS\$	Between 3 and 12 months ThUS\$	Between 1 and 5 years ThUS\$	Over 5 years ThUS\$	ThUS\$
Interest-bearing loans and other hedge liabilities	-	13,494	105,300	-	118,794
Trade and other payables	22,185	6,636	128	-	28,949
Related party payables, current	1,863	30,949	-	-	32,812
Related party payables, non-current	-	-	-	36,372	36,372
Total	24,048	51,079	105,428	36,372	216,927

3.3. Market risk

a) Exchange rate risk

The Company has defined the US dollar as its functional currency, therefore, it is exposed to exchange rate risk on transactions in Chilean pesos. The exchange rate risk arises on planned commercial transactions, and on assets and liabilities held in Chilean pesos.

The Company has a net asset balance in Chilean pesos as of September 30, 2017 totaling ThUS\$ 6,402. Therefore, an increase of 5% in the exchange rate results in an exchange loss of ThUS\$ 320, while a decrease of 5% in the exchange rate results in an exchange gain of the same amount.

b) Interest rate risk

Movements in interest rates modify the expected cash flows on assets and liabilities that are subject to variable interest rates.

The Company is exposed to interest rate risks, since its long-term financing is at a variable interest rate, which is amended every six months.

The Company has a total of ThUS\$ 105,248 in bank liabilities denominated in US dollars as of September 30, 2017. Sensitivity analysis on the interest rates for bank loans reveal that a 1%pa movement in interest rates at the reporting date would result in additional or lower interest costs of ThUS\$ 1,052, as appropriate.

NOTE 4 – FINANCIAL INSTRUMENTS

The Company has financial instruments as of September 30, 2017 and December 31, 2016 valued at their fair value as shown in the following table, and there are no differences between their fair value and book value.

Item	9/30/2017		12/31/2016	
	Book value	Fair value	Book value	Book value
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents				
Cash balances	-11	-11	51	51
Bank balances	1,427	1,427	1,591	1,591
Other financial assets	30	30	2	2
Trade and other receivables	13,322	13,322	27,684	27,684
Related party receivables	16,060	16,060	15,547	15,547
Recoverable rights, non-current	5,464	5,464	3,995	3,995
Other financial liabilities	11,425	11,425	10,554	10,554
Trade and other payables, current	39,094	39,094	28,140	28,140
Related party payables, current	3,020	3,020	32,812	32,812
Other financial liabilities, non-current	94,825	94,825	99,917	99,917
Payables, non-current	97	97	128	128
Related party payables, non-current	9,733	9,733	36,372	36,372

Financial instruments as of September 30, 2017, according to the categories specified in IAS 39, are as follows.

	Financial assets at fair value through net income ThUS\$	Financial assets held to maturity ThUS\$	Cash and cash equivalents, loans and receivables ThUS\$	Financial assets held for sale ThUS\$	Total ThUS\$
Cash and cash equivalents					
Cash balances	-	-	-11		-11
Bank balances	-	-	1,427		1,427
Other financial assets, current	-	-	30		30
Trade and other receivables	-	-	13,322		13,322
Related party receivables	-	-	16,060		16,060

	Fair value through net income ThUS\$	Hedging instruments ThUS\$	Financial liabilities at amortized cost ThUS\$	Total ThUS\$
Other financial liabilities, current	-	-	11,425	11,425
Trade and other payables	-	-	39,094	39,094
Related party payables, current	-	-	3,020	3,020

Financial instruments as of December 31, 2016, according to the categories specified in IAS 39, are as follows.

	Financial assets at fair value through net income ThUS\$	Financial assets held to maturity ThUS\$	Cash and cash equivalents, loans and receivables ThUS\$	Financial assets held for sale ThUS\$	Total ThUS\$
Cash and cash equivalents					
Cash balances	-	-	51	-	51
Bank balances	-	-	1,591	-	1,591
Other financial assets, current	-	-	2	-	2
Trade and other receivables	-	-	27,684	-	27,684
Related party receivables	-	-	15,547	-	15,547
Other financial assets, non-current	-	-	27	-	27

	Fair value through net income ThUS\$	Hedging Instruments ThUS\$	Financial liabilities at amortized cost ThUS\$	Total ThUS\$
Other financial liabilities, current	-	-	10,554	10,554
Trade and other payables	-	-	28,140	28,140
Related party payables, current	-	-	32,812	32,812
Other financial liabilities, non-current	-	-	99,917	99,917
Payables, non-current	-	-	128	128
Related party payables, non-current	-	-	36,372	36,372

NOTE 5 - SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The estimates and judgments used are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable based on the circumstances.

The Company's main accounting estimates as follows.

a) Biomass of biological assets

The fish biomass estimate will always be based on assumptions, even though the Company has ample experience with these factors. The estimates take into account the following components: volume of fish biomass, average biomass weights, distribution of fish weights and market prices.

The volume of fish biomass estimate is based on the number of smolts in the sea, their estimated growth and their mortality during the period, etc. Uncertainty with respect to the volume of biomass is normally lower in the absence of mass mortality events or acute diseases during the cycle.

Fish grow at various rates and even though average weights can be accurately estimated, there is always a wide variation in the quality and size of the fish. The distribution of fish quality and size is important, as these attract different prices on the market.

The value of fish biomass is based on a normal weight distribution.

b) Asset impairment

The recoverable amount of property, plant and equipment is revalued annually according to IAS 36, as the Company has intangible assets. Factors that are considered an indication of impairment are declining market values, significant changes in the technological environment, obsolescence or physical deterioration, changes in the way the item is used or expected to be used, including ceasing to use it, etc. The Company evaluates whether there is evidence of impairment at each reporting date, ie. whether the book value of an item of property, plant and equipment or an intangible asset is greater than its value in use.

It evaluates each Cash Generating Unit (CGU).

CGUs are identified for impairment testing. IAS 36 defines a CGU as "the smallest identifiable group of assets that generates receipts for the Company, which are largely independent of the receipts generated by other assets or groups of assets."

Therefore, given the Company as a whole, the characteristics of its assets and its productive and marketing processes, the Company has defined a policy that the CGU value to compare with future cash flows generated by using its assets, is based on all the non-current assets at the reporting date in the financial statements, less those assets that are not: Property plant and equipment and intangible assets other than goodwill.

The Company has used a cash flow forecasting model to calculate the value in use of its assets, based on the following assumptions.

1. Ten-year evaluation horizon. Investments in the industry are long-term, as are the cycles and risks that affect the biomass. Therefore, a horizon of less than 10 years does not reflect the Company's long-term situation.
2. Residual value. The residual value at the end of the horizon.

Forecast cash flows. Cash flows used in the methodology are based on budget data, best estimates and reasonable and substantiated assumptions that represent Management's best estimates, taking into account the prevailing economic conditions during the remaining useful life of the evaluated assets. The most important assumptions are:

- 2.1. Sales and production volumes.
- 2.2. Estimated annual inflation of 3% and its impact on prices, sales and administration costs, and other costs.
3. Cash flow forecasts are brought to present value using a discount rate that reflects the time value of money and the risks specific to the asset. The Weighted Average Cost of Capital (WACC) rate is used and calculated using the following variables: the Company or industry beta; the risk-free rate of return; the market rate of return; the cost of the Company's financial debt; and the long-term target debt / equity ratio.

This evaluation resulted in no indications of asset impairment.

Except for the estimated biomass of the biological assets, Management believes that these interim financial statements do not contain any assumptions about the future or other uncertain estimates that risk causing significant adjustments to this accounting period and the next.

NOTE 6 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows.

	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Cash balances	-11	51
Bank balances	1,427	1,591
Total cash and cash equivalents	1,416	1,642

NOTE 7 - TRADE AND OTHER RECEIVABLES

Trade and other receivables are as follows.

	9/30/2017			12/31/2016		
	Trade receivables	Doubtful debt provision	Net trade receivables	Trade receivables	Doubtful debt provision	Net trade receivables
Customers	10,057	3	10,060	9,391	-14	9,377
Notes receivable	-	-	0	9	-	9
Recoverable VAT	1,690	-	1,690	2,443	-	2,443
Receivables from property sales	350	-	350	650	-	650
Staff receivables	14	-	14	9	-	9
Advances to suppliers	-	-	-	159	-	159
Insurance claims (1)	1,208	-	1,208	14,953	-	14,953
Other	-	-	-	84	-	84
Total	13,319	3	13,322	27,698	-14	27,684

- (1) Insurance claims as of December 31, 2016 mainly relate to the harmful algal blooms (HABS) in various parts of the Reloncaví Sound in the 10th Region. This claim was fully paid in February 2017.

Salmones Camanchaca S.A. does not have any receivables that are guaranteed or renegotiated or any payments that have been rejected and have entered a judicial collection process. It has not factored any of its receivables during 2017 and 2016.

The Company has no financial assets at the reporting date that are in arrears and not impaired.

Classification of receivables by due date.

	9/30/2017				12/31/2016			
Overdue ranges	Number of customers non-renegotiated portfolio	Trade receivables ThUS\$	Doubtful debt provision ThUS\$	Net trade receivables ThUS\$	Number of customers non-renegotiated portfolio	Trade receivables ThUS\$	Doubtful debt provision ThUS\$	Net trade receivables ThUS\$
Not yet due	103	10,199	-	10,199	63	26,311	-	26,311
1-30 days	334	1,178	-	1,178	18	1,282	-	1,282
31-60 days	34	1,769	-	1,769	1	31	-	31
61-90 days	1	6	-	6	1	36	-	36
91-120 days	-	-	-	0	2	7	-5	2
121-150 days	-	-	-	0	-	-	-	0
151-180 days	1	89	-	89	2	24	-9	15
181-210 days	-	-	-	0	-	-	-	0
211-250 days	-	-	-	0	-	-	-	0
>250 days	1	78	3	81	9	7	-	7
Total	474	13,319	3	13,322	96	27,698	-14	27,684

NOTE 8 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties include the following entities and individuals.

- Shareholders that can exercise control
- Subsidiaries and their members
- Parties with sufficient interest to give them significant influence
- Parties with joint control
- Associates
- Interests in joint ventures
- Senior management of the entity or of its parent company
- Close relatives of individuals described in the previous points
- An entity that controls, or jointly controls, and is significantly influenced by any of the individuals described in the two previous points.

Generally, transactions with related companies are payable/receivable immediately and are not subject to special conditions. These transactions are in accordance with Law 18,046 governing Corporations and with IAS 24.

Transferring current and non-current funds between related companies, which do not relate to the collection or payment of services, are structured using commercial current accounts.

- Current related party receivables are as follows:

	Chilean ID Number	Country	Transaction term	Currency	9/30/2017		12/31/2016	
					Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$
Camanchaca Inc.	Foreign	USA	Under 30 days	US\$	9,245	-	11,433	-
Kabushiki Kaisha Camanchaca Ltd.	Foreign	Japan	Under 30 days	US\$	6,531	-	3,895	-
Cia. Pesquera Camanchaca S.A.	93.711.000-6	Chile	Under 30 days	\$	89	-	117	-
Camanchaca Cultivos Sur S.A.	96.633.150-K	Chile	Under 30 days	\$	167	-	61	-
Camanchaca Pesca Sur S.A.	76.143.821-2	Chile	Under 30 days	\$	28	-	41	-
Total					16,060	0	15,547	0

- Current related party payables are as follows:

	Chilean ID Number	Country	Transaction term	Currency	9/30/2017		12/31/2016	
					Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$
Fiordo Blanco S.A.	96.540.710-3	Chile	Under 30 days	\$	-	-	30,949	-
Cia. Pesquera Camanchaca S.A.	93.711.000-6	Chile	Under 30 days	\$	1,733	9,733	667	36,372
Transportes Interpolar Ltda.	77.970.900-0	Chile	Under 30 days	\$	846	-	564	-
Kabushiki Kaisha Camanchaca Ltd.	O-I	Japan	Under 30 days	US\$	4	-	398	-
Inmobiliaria Camanchaca S.A.	96.786.700-4	Chile	Under 30 days	\$	431	-	201	-
Camanchaca Pesca Sur S.A.	76.143.821-2	Chile	Under 30 days	\$	6	-	17	-
Camanchaca Cultivos Sur S.A.	96.633.150-K	Chile	Under 30 days	\$	-	-	14	-
Codepack S.A.	96.974.100-8	Chile	Under 30 days	\$	-	-	2	-
Total					3,020	9,733	32,812	36,372

The payable to Fiordo Blanco S.A. as of September 30, 2017 was eliminated under the aforementioned restructuring dated September 14, when Fiordo Blanco S.A. became a subsidiary of Salmenes Camanchaca. This situation did not apply as of December 31, 2016, as Fiordo Blanco S.A. was related company.

The payable to Compañía Pesquera Camanchaca S.A. was capitalized at ThUS\$ 19,500 on September 14.

c) Transactions with related companies for over ThUS\$ 20 and their effects on net income for the periods ended September 30, 2017 and 2016 are as follows.

Company	Chilean ID Number	Country	Relationship	Description	Currency	9/30/2017		9/30/2016	
						Amount ThUS\$	Effect on net income (Charge) Credit ThUS\$	Amount ThUS\$	Effect on net income (Charge) Credit ThUS\$
Camanchaca Inc.	Foreign	USA	Common shareholder	Products sold	US\$	46,152	12,218	70,477	70,477
Kabushiki Kaisha Camanchaca Ltd.	Foreign	Japan	Common shareholder	Products sold	US\$	11,346	6,323	10,869	10,869
Kabushiki Kaisha Camanchaca Ltd.	Foreign	Japan	Common shareholder	Commissions	US\$	265	-265	431	-431
Cia. Pesquera Camanchaca S.A.	93.711.000-6	Chile	Parent company	Administrative services	US\$	3,974	-3,974	3,330	-3,330
Cia. Pesquera Camanchaca S.A.	93.711.000-6	Chile	Parent company	Product purchases	\$	-	-	242	-203
Cia. Pesquera Camanchaca S.A.	93.711.000-6	Chile	Parent company	Venta de productos	\$	241	52	96	81
Camanchaca Pesca Sur S.A.	76.143.821-2	Chile	Common shareholder	Storage	\$	139	6	59	-50
Camanchaca Pesca Sur S.A.	76.143.821-2	Chile	Common shareholder	Products sold	\$	161	32	408	343
Camanchaca Pesca Sur S.A.	76.143.821-2	Chile	Common shareholder	Product purchases	\$	-	-	30	-26
Camanchaca Pesca Sur S.A.	76.143.821-2	Chile	Common shareholder	Services	US\$	29	25	2,249	-1,890
Camanchaca Cultivos Sur S.A.	96.633.150-K	Chile	Common shareholder	Products sold	\$	82	10	14	11
Camanchaca Cultivos Sur S.A.	96.633.150-K	Chile	Common shareholder	Product purchases	\$	24	-	61	-51
Fiordo Blanco S.A.	96.540.710-3	Chile	Common shareholder	Leased concessions	US\$	1,329	-	1,125	-
Transportes Interpolar Ltda.	77.970.900-0	Chile	Common shareholder	Transport service	\$	1,846	-1,551	2,689	-2,260
Inmobiliaria Camanchaca S.A.	96.786.700-4	Chile	Common shareholder	Leased services	US\$	1,035	-869	1,035	-869
Frigorífico Pacífico S.A.	77.858.550-2	Chile	Director and subsidiary shareholder	Leased refrigerators	\$	-	-	406	-341
Surproceso S.A.	76.346.370-2	Chile	Associate	Salmon processing	\$	793	-	1,369	-
Codepack S.A.	96.974.100-8	Chile	Related Director	Packaging	\$	22	-19	6	-5

d) Remuneration and benefits received by the Board and Senior Management.

The Company is managed by a Board of Directors, whose members received fees totaling ThUS\$ 130 during 2017 (ThUS\$ 100 in 2016).

The remuneration of Senior Management during 2017 amounted to ThUS\$ 739 (ThUS\$ 833 in 2016).

NOTE 9 – INVENTORIES

Inventories as of each reporting date are as follows.

	Unit of Measure	9/30/2017		12/31/2016	
		Quantity	ThUS\$	Quantity	ThUS\$
Atlantic salmon	Kilo	2,621,644	21,110	1,942,735	18,119
Other products	Kilo	4,995	15	13,438	95
Production supplies	N/A	-	5,218	-	6,022
Net realizable value provision	N/A	-	(749)	-	(892)
Total			25,594		23,344

Quantities are for finished products and differences in processes, qualities or value added are not distinguished.

Inventories are valued at the lower of cost or net realizable value.

9.1 Inventory valuation policy

The Company values its inventories as follows.

- a) The production cost of manufactured inventory includes all costs related to the units produced such as labor and fixed and variable costs required to transform raw materials into finished products.

The production cost of fresh and frozen salmon is based on the last fair value of biological asset when harvested, plus direct and indirect production costs.

- b) The acquisition cost of purchased inventory includes its purchase cost, customs fees, transport, storage and other costs attributable to its acquisition.

9.2 Inventory cost calculation formula

Inventories of finished products are valued using the weighted average cost, ie. the cost of each product unit is based on the weighted average cost at the beginning of the period, and the cost of items purchased or produced during the period.

Inventories of raw materials, packaging materials are valued at weighted average cost.

9.3 Information on finished products

The Company has not written off any finished products at the reporting dates.

The Company has not pledged inventories of finished products in guarantee as of September 30, 2017 and December 31, 2016.

The Company has insurance covering its inventories of finished products (Stock Throughput), which includes raw materials (at agreed value or cost), consumables (cost value) and work-in-process and finished products (agreed value).

9.4 Reconciliation of finished products

Movements in finished products are as follows.

	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Opening balance	23,344	37,363
Production	81,194	157,710
Cost of sales	-78,944	-171,729
Closing balance	25,594	23,344

Cost of sales is composed as follows.

	9/30/2017 ThUS\$	9/30/2016 ThUS\$
Cost of products sold	78,944	137,115
Cost of services	2,575	2,041
Cost of fallow periods	3,307	4,978
Mortality costs	0	2,993
Total	84,826	147,127

NOTE 10 - BIOLOGICAL ASSETS

Current and non-current biological assets are as follows.

Item	9/30/2017			12/31/2016		
	Current ThUS\$	Non-Current ThUS\$	Total ThUS\$	Current ThUS\$	Non-Current ThUS\$	Total ThUS\$
Salmon and Trout	102,088	27,578	129,666	60,977	17,199	78,176
Total	102,088	27,578	129,666	60,977	17,199	78,176

Movements in biological assets are as follows.

	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Opening balance as of January 1	78,176	93,441
Increases due to fattening, production and purchasing	107,664	123,338
Decreases due to sales and harvesting	-96,127	-199,233
Fair value adjustment for the period	39,953	63,623
Mortality	-	-2,993
Closing balance	129,666	78,176

Biological assets are as follows:

Biomass as of 09/30/2017	Thousand units	Final biomass Ton.	Production costs ThUS\$	Fair value adjustments ThUS\$	Total cost ThUS\$
Fish in sea water	11,929	29,593	98,569	22,158	120,727
Fish in fresh water	19,389	974	8,939	-	8,939
Total			107,508	22,158	129,666

Biomass as of 12/31/2016	Thousand units	Final biomass Ton.	Production costs ThUS\$	Fair value adjustments ThUS\$	Total cost ThUS\$
Fish in sea water	8,810	13,888	55,882	13,301	69,183
Fish in fresh water	9,977	459	8,993	-	8,993
Total			64,875	13,301	78,176

Movements in the fair value adjustment of biological assets are as follows.

	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Opening balance fair value of biological assets	17,640	-7,289
Biological increase adjustment in the period	39,953	63,623
Less: Fair value adjustment for sales of biological assets	-31,953	-38,694
Closing balance	25,640	17,640

The balance relates to the fair value adjustment of biological assets for ThUS\$ 22,158 (ThUS\$ 22,403 to September 30, 2016) and the fair value adjustment of biological assets in finished product inventories for ThUS\$ 3,482 (ThUS\$ 5,937 to September 30, 2016).

Sensitivity analysis on the effect on fair value due to an increase or decrease in the unobservable average weight of biomass in the water at the reporting date is as follows.

Species	Variation in ThUS\$			
	1% increase	1% reduction	5% increase	5% reduction
Atlantic salmon	787	-805	3,952	-4,039
Total	787	-805	3,952	-4,039

NOTE 11 - OTHER CURRENT AND NON-CURRENT NON-FINANCIAL ASSETS

Other current and non-current non-financial assets are as follows.

	9/30/2017		12/31/2016	
	Current ThUS\$	Non-Current ThUS\$	Current ThUS\$	Non-Current ThUS\$
Insurance policies	147	-	3,690	-
Prepaid expenditure at centers	735	-	970	-
Prepaid rent	107	-	40	-
Other prepaid expenditure	76	-	168	-
Other non-financial assets	-	112	-	112
Total	1,065	112	4,868	112

NOTE 12 - EQUITY METHOD INVESTMENTS

Investments in associates as of September 30, 2017 are as follows.

<u>Chilean ID Number</u>	<u>Name</u>	<u>Country</u>	<u>Investments in associates ThUS\$</u>	<u>Interest %</u>
76,346,370-2	Surproceso S.A.	Chile	5,024	33.33
Foreign	New World Currents Inc.	Panama	1	25.00
Total			5,025	

Investments in associates as of December 31, 2016 are as follows.

<u>Chilean ID Number</u>	<u>Name</u>	<u>Country</u>	<u>Investments in associates ThUS\$</u>	<u>Interest %</u>
77,970,900-0	Transportes Interpolar Ltda.	Chile	411	50.00
Foreign	New World Currents Inc.	Panama	1	25.00
Total			412	

A summary of these associate's assets and liabilities are as follows.

	9/30/2017		12/31/2016	
	Assets ThUS\$	Liabilities ThUS\$	Assets ThUS\$	Liabilities ThUS\$
Current	7,026	3,729	1,310	921
Non-Current	12,116	15,413	538	927
Total	19,142	19,142	1,848	1,848

Revenue and net income for the period for these associated are as follows.

	<u>As of 9/30/2017 ThUS\$</u>	<u>As of 9/30/2016 ThUS\$</u>
Revenue	14,813	14,281
Net associate income for period (1)	3,513	3,614

- (1) Salmenes Camanchaca S.A. acquired shares in Surproceso S.A. under the corporate restructuring on September 14, 2017, and Compañía Pesquera Camanchaca S.A. acquired Transportes Interpolar Limitada on September 11. Therefore, the net income earned by these associated were reflected in the financial statements of owners of those shares until the date on which these transactions took place, resulting in ThUS\$ 146 as of September 30, 2017 and ThUS\$ 118 as of December 31, 2016.

NOTE 13 - TAX ASSETS

Current tax assets are as follows.

	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Provisional payment for absorbed profits	1,371	1,371
Training expenses	16	156
Labor bonus tax	-	41
Other recoverable taxes	11	289
Total	1,398	1,857

Non-current tax assets are as follows.

	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Investment tax incentive (1)	5,464	3,995
Total	5,464	3,995

(1) The tax incentive is for investments in the Aysen Region, in accordance with Law 19,606. The deadline to recover this incentive is 2045, by discounting it from corporate income tax.

NOTE 14 - INTANGIBLE ASSETS OTHER THAN GOODWILL

Non-internally created intangible assets are as follows.

	Useful life	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Aquaculture concessions and water rights	Indefinite	7,083	4,216
Total		7,083	4,216

Movements in intangible assets as of September 30, 2017 and December 31, 2016 are as follows.

	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Opening balance as of January 1	4,216	4,216
Increases	2,867	
Disposals	-	-
Closing balance	7,083	4,216

Increases relate to the acquisition of Fiordo Blanco on September 14, 2017 with intangible assets of ThUS\$ 2,867.

Water rights

No	DGA Resolution No	Water source	Location	Owned	Status
1	494/1990	Superficial and Current	Puerto Varas	Salmones Camanchaca	Granted
2	046/2011	Underground	Puerto Varas	Salmones Camanchaca	Granted
3	200/1998	Superficial and Current	Purranque	Salmones Camanchaca	Granted
4	154/2008	Superficial and Current	Puerto Varas	Salmones Camanchaca	Granted
5	184/2001	Underground	Puerto Varas	Salmones Camanchaca	Granted
6	318/2003	Underground	Puerto Varas	Salmones Camanchaca	Granted
7	235/2009	Underground	Puerto Varas	Salmones Camanchaca	Granted
8	931/2013	Underground	Puerto Varas	Salmones Camanchaca	Granted
9	263/2008	Superficial and Detained	Frutillar	Salmones Camanchaca	Granted
10	356/1998	Superficial and Current	Frutillar	Salmones Camanchaca	Granted
11	001/2010	Underground	Frutillar	Salmones Camanchaca	Granted
12	468/2004	Superficial and Current	Cochamo	Salmones Camanchaca	Granted
13	468/2004	Superficial and Current	Puerto Montt	Salmones Camanchaca	Granted
14	468/2004	Superficial and Current	Puerto Montt	Salmones Camanchaca	Granted
15	468/2004	Superficial and Current	Puerto Montt	Salmones Camanchaca	Granted
16	468/2004	Superficial and Current	Cochamo	Salmones Camanchaca	Granted
17	134/2006	Superficial and Current	Cochamo	Salmones Camanchaca	Granted
18	N/A	Superficial and Current	Antuco	Salmones Camanchaca	Granted
19	N/A	Superficial and Current	Antuco	Salmones Camanchaca	Granted
20	390/2007	Underground	Calbuco	Salmones Camanchaca	Granted
21	150/2015	Superficial and Current	Chaitén	Salmones Camanchaca	Granted
22	Denied	Superficial and Current	Chaitén	Salmones Camanchaca	Denied
23	109/2015	Superficial and Current	Chaitén	Salmones Camanchaca	Granted
24	149/2015	Superficial and Current	Chaitén	Salmones Camanchaca	Granted
25	In process	Superficial and Current	Puerto Varas	Salmones Camanchaca	Requested
26	In process	Superficial and Current	Purranque	Salmones Camanchaca	Requested
27	012/1998	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
28	183/1998	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
29	126/1999	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
30	360/1998	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
31	1239/1998	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
32	124/1999	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
33	429/1998	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
34	269/1998	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
35	692/2000	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
36	137/1998	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
37	161/2001	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
38	356/1997	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
39	685/1997	Superficial and Current	Purranque	Fiordo Blanco S.A	Granted
40	246/2006	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
41	397/2004	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
42	496/2004	Superficial and Current	Chaitén	Fiordo Blanco S.A	Granted
43	In process	Superficial and Current	Puerto Varas	Fiordo Blanco S.A	Requested

Salmon concessions

Name	Region	Macro zone	Number of concessions (District)	Municipality	Sea water or fresh water	Surface area	Status (Use, Fallow, Other)
Maqui beach (Lake center)	X	6	1	Frutillar	Fresh Water	7.5	Fallow
Chaiquen	X	1	1	Puerto Varas	Sea Water	3.74	Fallow
Pucheguin	X	1	1	Cochamo	Sea Water	3	Fallow
Pucheguin coast	X	1	1	Cochamo	Sea Water	9	Fallow
Farellones	X	1	1	Cochamo	Sea Water	21.06	Use
Marimelli	X	1	1	Cochamo	Sea Water	24.98	Fallow
Chilco River 1	X	1	1	Cochamo	Sea Water	6	Fallow
Chilco River 2	X	1	1	Cochamo	Sea Water	6.75	Fallow
Cascajal	X	1	1	Cochamo	Sea Water	9	Use
Factoría	X	1	1	Cochamo	Sea Water	9	Fallow
Puelche	X	1	2	Hualaihue	Sea Water	7.54	Fallow
Manihueico	X	1	2	Hualaihue	Sea Water	15	Use
Contao	X	1	2	Hualaihue	Sea Water	15	Use
Chagual River	X	1	2	Hualaihue	Sea Water	7.2	Fallow
Aulen	X	1	2	Hualaihue	Sea Water	3.25	Fallow
San José	X	1	3b	Calbuco	Sea Water	3.75	Fallow
Penasmo	X	1	3b	Calbuco	Sea Water	28.56	Fallow
Pilpilhue	X	3	10b	Chonchi	Sea Water	32	Use
Ahoni	X	3	10b	Queilen	Sea Water	33.45	Use
Pumalín	X	5	14	Chaitén	Sea Water	5.58	Use
Islets	X	5	14	Chaitén	Sea Water	36	Fallow
Edwards	X	5	15	Chaitén	Sea Water	9.04	Fallow
Yelcho	X	5	16	Chaitén	Sea Water	4.5	Fallow
Chilco	X	5	16	Chaitén	Sea Water	6.5	Use
Fiordo Largo	X	5	16	Chaitén	Sea Water	6	Use
Cabudahue	X	5	16	Chaitén	Sea Water	6	Fallow
Pillán	X	5	16	Chaitén	Sea Water	19.63	Fallow
Isla Nieves	X	5	16	Chaitén	Sea Water	6.5	Fallow
Puerto Argentino	X	5	16	Chaitén	Sea Water	6.5	Use
Reñihue 3	X	5	16	Chaitén	Sea Water	6.32	Fallow
Loncochalgua	X	5	17a	Hualaihue	Sea Water	8	Fallow
Porcelana	X	5	17a	Chaitén	Sea Water	18.54	Use
Leptepu	X	5	17a	Chaitén	Sea Water	24.5	Use
Cahuelmó	X	5	17a	Hualaihue	Sea Water	8	Use
Piedra Blanca	X	5	17a	Hualaihue	Sea Water	2	Fallow
Marilmó	X	5	17a	Chaitén	Sea Water	3	Use
Arbolito	XI	6	18b	Cisnes	Sea Water	12.5	Fallow
Lamalec	XI	6	18b	Cisnes	Sea Water	12.5	Fallow
Northeast Garrao 1	XI	6	18b	Cisnes	Sea Water	12.5	Fallow
Piure Stream	XI	6	18b	Cisnes	Sea Water	12.5	Fallow
Filomena 2	XI	6	18b	Cisnes	Sea Water	12.5	Use

Name	Region	Macro zone	Number of concessions (District)	Municipality	Sea water or fresh water	Surface area	Status (Use, Fallow, Other)
East Lamalec	XI	6	18b	Cisnes	Sea Water	12.5	Fallow
East Filomena	XI	6	18b	Cisnes	Sea Water	12.5	Fallow
Chonos	XI	6	18c	Cisnes	Sea Water	12.5	Use
Licha	XI	6	18c	Cisnes	Sea Water	12.5	Fallow
Garrao	XI	6	18c	Cisnes	Sea Water	12.5	Fallow
Gallo Stream	XI	6	18c	Cisnes	Sea Water	12.5	Fallow
Southwest Leucayec	XI	6	18c	Guaitecas	Sea Water	11.08	Use
Piure Channel	XI	6	18c	Cisnes	Sea Water	12.5	Fallow
Northeast Francisco	XI	6	18d	Cisnes	Sea Water	12.5	Fallow
East Jechica	XI	6	18d	Cisnes	Sea Water	12.5	Fallow
South Garrao	XI	6	18d	Cisnes	Sea Water	12.5	Fallow
South Jechica	XI	6	18d	Cisnes	Sea Water	12.5	Fallow
West Filomena	XI	6	18d	Cisnes	Sea Water	12.5	Fallow
Carmencita	XI	6	18d	Cisnes	Sea Water	6.06	Fallow
Forsyth	XI	6	19a	Cisnes	Sea Water	8.45	Use
Johnson 1	XI	6	19a	Cisnes	Sea Water	10.6	Use
Johnson 2	XI	6	19a	Cisnes	Sea Water	6.35	Use
Midhurst	XI	6	19a	Cisnes	Sea Water	N/A	Fallow
Tahuenahuec	XI	6	20	Cisnes	Sea Water	5.52	Fallow
Benjamin	XI	6	20	Cisnes	Sea Water	50.88	Fallow
King	XI	6	20	Cisnes	Sea Water	29.38	Fallow
Punta Alta	XI	6	20	Cisnes	Sea Water	26.56	Fallow
No Name	XI	6	20	Cisnes	Sea Water	17.84	Fallow
South Izaza	XI	6	20	Cisnes	Sea Water	8.96	Fallow
Martita	XI	6	20	Cisnes	Sea Water	17.57	Fallow
Paso Lautaro	XI	6	20	Cisnes	Sea Water	9.8	Fallow
Southwest Tahuenahuec	XI	6	20	Cisnes	Sea Water	14.64	Fallow
Southeast Izaza	XI	6	20	Cisnes	Sea Water	6.62	Fallow
Port Róbal	XI	6	20	Cisnes	Sea Water	14.07	Fallow
Williams 1	XI	6	21d	Cisnes	Sea Water	11.95	Use
Williams 2	XI	6	21d	Cisnes	Sea Water	10.28	Use
Williams Sector 2	XI	6	21d	Cisnes	Sea Water	N/A	Fallow

Intangible assets subject to guarantees or restrictions

The Company has mortgaged and pledged its Salmon concessions, to guarantee the syndicated loan for Compañía Pesquera Camanchaca S.A. and Salmones Camanchaca S.A. (Note 29).

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment and its movements are as follows.

	Land ThUS\$	Buildings ThUS\$	Plant and equipment ThUS\$	Vessels ThUS\$	Vehicles ThUS\$	Other property, plant and equipment ThUS\$	Total property plant and equipment ThUS\$
Opening balance as of January 1, 2017							
Cost or valuation	5,142	35,950	110,593	2,707	149	2,519	157,060
Accumulated depreciation	-	-14,544	-69,283	-2,431	-86	-1,711	-88,055
Net balance as of January 1, 2017	5,142	21,406	41,310	276	63	808	69,005
Additions	-	1,043	8,999	1	-	511	10,554
Disposals	-	-1	-1,609	-	-	-22	-1,632
Transfers	-	-	1	2	-	-3	-
Assets contributed	179	7	994	-	-	4	1,184
Depreciation	-	-1,363	-6,395	-26	-7	-291	-8,082
Closing balance as of September 30, 2017	5,321	21,092	43,300	253	56	1,007	71,029

	Land ThUS\$	Buildings ThUS\$	Plant and equipment ThUS\$	Vessels ThUS\$	Vehicles ThUS\$	Other property, plant and equipment ThUS\$	Total property plant and equipment ThUS\$
Opening balance as of January 1, 2016							
Cost or valuation	5,106	32,793	104,802	2,702	161	3,342	148,906
Accumulated depreciation	-	-13,017	-62,199	-2,158	-128	-1,645	-79,147
Net balance as of January 1, 2016	5,106	19,776	42,603	544	33	1,697	69,759
Additions	-	3,205	7,079	5	40	436	10,765
Disposals	-	-	-510	-	-5	-547	-1,062
Transfers	36	-36	488	-	-	-488	-
Depreciation	-	-1,539	-8,350	-274	-5	-289	-10,457
Closing balance as of December 31, 2016	5,142	21,406	41,310	275	63	809	69,005

Property, plant and equipment as of September 30, 2017 is as follows.

	Gross value ThUS\$	Accumulated depreciation ThUS\$	Net value ThUS\$
Land	5,321	-	5,321
Buildings	37,000	-15,909	21,092
Plant and equipment	116,841	-73,541	43,300
Vessels	2,710	-2,457	253
Motor vehicles	149	-93	56
Other property plant and equipment	2,989	-1,983	1,007
Total	165,011	-93,982	71,029

Property, plant and equipment as of December 31, 2016 is as follows.

	Gross value ThUS\$	Accumulated depreciation ThUS\$	Net value ThUS\$
Land	5,142	-	5,142
Buildings	35,950	-14,544	21,406
Plant and equipment	110,593	-69,283	41,310
Vessels	2,707	-2,432	275
Motor vehicles	149	-86	63
Other property plant and equipment	2,519	-1,710	809
Total	157,060	-88,055	69,005

a) Valuation

Management has chosen the cost model as its accounting policy, and has applied this policy to all items in property, plant and equipment.

b) Depreciation method

The depreciation method applied to all items of property, plant and equipment (excluding land) is the straight-line method, which produces a constant expense over their useful life.

c) Property, plant and equipment subject to guarantees or restrictions

The Company has mortgaged and pledged some items, to guarantee the syndicated loan for Compañía Pesquera Camanchaca S.A. and Salmones Camanchaca S.A. (Note 29).

d) Insurance

The Company has insurance policies to cover the risks to items of property, plant and equipment, including in some cases loss of profit or loss due to strikes. The Company constantly analyzes its insurance cover to ensure that it is reasonable when compared to the risks inherent to its business.

- e) The gross value of property, plant and equipment items that are fully depreciated and still in use are as follows.

	9/30/2017 Gross value ThUS\$	12/31/2016 Gross value ThUS\$
Buildings	6,176	5,215
Plant and equipment	36,436	32,172
Vessels	2,369	2,369
Motor vehicles	86	86
Other property plant and equipment	865	724
Total	45,932	40,566

- f) There are no items of property, plant and equipment that are no longer actively used, but not classified as held for sale, in accordance with IFRS 5.
- g) Management believes that all items of property, plant and equipment have fair values that are not significantly different from their book values.

NOTE 16 - INCOME AND DEFERRED TAXES

Law 20,780 was published in the Official Gazette on September 29, 2014 amending the Chilean tax regime. Subsequently, Law 20,899 was enacted on February 1, 2016, which amended it, by simplifying it and clarifying some aspects. The essential changes to the income tax regimes were that corporations must adopt the "partially integrated system". The former Law gave them the option to alternatively adopt the "attributed income system", but this option was withdrawn by the latter Law.

The Law establishes a progressive increase in corporate income tax rates under the "Partially Integrated System". The tax rate was increased from 20% to 21% for 2014, to 22.5% for 2015, to 24% for 2016, to 25.5% for 2017 and to 27% for 2018.

Deferred tax assets and liabilities are as follows.

	9/30/2017		12/31/2016	
	Deferred tax assets ThUS\$	Deferred tax liabilities ThUS\$	Deferred tax assets ThUS\$	Deferred tax liabilities ThUS\$
Tax losses	4,220	-	8,569	-
Inventory provisions	292	-	552	-
Staff vacation provisions	255	-	207	-
Staff severance indemnity provision	40	-	37	-
Doubtful debt provisions	1	-	4	-
Other provisions	1165	-	139	-
Property, plant and equipment	-	-228	-	-571
Manufacturing expenses	-	-9,407	-	-3,671
Fishing rights and concessions	-	-784	-	-
Income from compensation claims	-	-	-	-4,589
Biological assets	-	-6,538	-	-4,498
Capitalized prepaid costs	-	-56	-	-71
Total	5,973	-17,013	9,508	-13,400
Net Total		-11,040		-3,892

Income taxes are as follows.

Tax (expense) benefit

	9/30/2017 ThUS\$	9/30/2016 ThUS\$
Current tax expense	-34	-4
Tax expense adjustment (prior period)	-458	-37
Deferred tax expense for the period	-7,148	-104
Total	-7,640	-145

Reconciliation of tax expense using statutory rate to tax expense using effective rate.

	9/30/2017 ThUS\$	9/30/2016 ThUS\$
Income tax expense using the statutory rate	-8,811	-6,204
Second category tax (on salaries and wages)	-34	-6
Tax effect of non-taxable revenue	1,405	-
Tax effect of non-deductible expenses	-	-37
Tax effect on changes in rates for deferred taxes	-200	-648
Total	-7,640	-6,895

NOTE 17 - OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Other financial liabilities are as follows.

Current

	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Interest-bearing loans	11,425	10,554
Total current	11,425	10,554

Non-current

	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Interest-bearing loans	94,825	99,917
Total non-current	94,825	99,917

A Financial Rescheduling and Commitment, Joint and Several Guarantee Contract was signed on May 30, 2013, between the seven creditor banks of Compañía Pesquera Camanchaca S.A. (Parent Company) and Salmones Camanchaca S.A. This Contract superceded the previous loan contracts.

Their liabilities were restructured using two contracts that refinanced all the banking liabilities totaling ThUS\$ 215,942 payable by the Camanchaca Group (comprising Compañía Pesquera Camanchaca S.A. ThUS\$ 86,189 and Salmones Camanchaca S.A. ThUS\$ 129,753). All with guarantees and cross-guarantees.

The obligations for Salmones Camanchaca S.A. were split into two, tranche I for ThUS\$ 78,163 and tranche II for US\$ 51,590.

a) Conditions for tranche I

Expiry: November 2019.

Rate: fund dollar cost + spread of 1.5 % pa.

b) Conditions for tranche II

Expiry: November 2019.

Minimum semiannual capital repayments: ten installments from May 25, 2015 to November 25, 2019

Rate: fund dollar cost + spread of 1.5 % pa.

A number of obligations were established, the conditions that would trigger the banks to recall the loans and the causes of a contract breach were established, which are standard for such contracts.

The Company was fully compliant with the financial ratios (covenants) calculated using its financial statements as of the reporting date and at the close of 2016. The Parent Company is subject to the restriction that its consolidated borrowing ratio must not exceed 1.30 times, which is calculated every year.

Compañía Pesquera Camanchaca S.A. reported a Material Event on September 20, 2017 to the Superintendent of Securities and Insurance that it had received a financing proposal from two foreign banks (DNB and Rabobank) for US\$ 165 million. This sum and its own resources would be sufficient to fully repay the bank obligations of the Company, and it expects to conclude this process before the end of this year.

Interest-bearing loans

Obligations that mature in under 12 months

	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Banco de Chile	1,968	2,013
Banco Santander	827	827
Banco Crédito e Inversiones	2,845	2,890
Banco Estado	1,759	1,759
Rabobank	1,593	1,593
Banco Security	1,236	1,236
Interest payable	1,197	236
Total	11,425	10,554

Obligations that mature in over 12 months

	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Banco de Chile	18,464	19,437
Banco Santander	7,610	8,024
Banco Crédito e Inversiones	26,533	27,944
Banco Estado	16,187	17,067
Rabobank	14,656	15,452
Banco Security	11,375	11,993
Total	94,825	99,917

The Company's loans are as follows.

a) As of September 30, 2017

Debtor ID Number	Debtor	Country	Creditor ID Number	Creditor	Country	Currency	Repayments	Nominal rate	Effective rate	Guarantees	Current			Non-current			
											Maturity		Total Current	Maturity			Total non-current
											Under 90 days	90 days to 1 year		1 to 3 years	3 to 5 years	Over 5 years	
76.065.596-1	Salmones Camanchaca S.A.	Chile	97.004.000-5	Banco de Chile	Chile	US\$	Semiannually and at maturity	3.12	3.12	% of assets	1,222	973	2,195	18,464			18,464
76.065.596-1	Salmones Camanchaca S.A.	Chile	97.006.000-6	Banco Crédito Inversiones	Chile	US\$	Semiannually and at maturity	3.00	3.00	% of assets	1,748	1,411	3,159	26,533			26,533
76.065.596-1	Salmones Camanchaca S.A.	Chile	97.030.000-7	Banco Estado	Chile	US\$	Semiannually and at maturity	3.07	3.07	% of assets	1,076	880	1,955	16,187			16,187
76.065.596-1	Salmones Camanchaca S.A.	Chile	97.036.000-4	Banco Santander	Chile	US\$	Semiannually and at maturity	3.02	3.02	% of assets	504	414	918	7,610			7,610
76.065.596-1	Salmones Camanchaca S.A.	Chile	97.949.000-3	Rabobank	Chile	US\$	Semiannually and at maturity	3.90	3.90	% of assets	1,022	796	1,818	14,656			14,656
76.065.596-1	Salmones Camanchaca S.A.	Chile	97.053.000-2	Banco Security	Chile	US\$	Semiannually and at maturity	3.18	3.18	% of assets	761	618	1,379	11,375			11,375
											6,333	5,092	11,425	94,825	-	-	94,825

b) As of December 31, 2016

Debtor ID Number	Debtor	Country	Creditor ID Number	Creditor	Country	Currency	Repayments	Nominal rate	Effective rate	Guarantees	Current			Non-current			
											Maturity		Total Current	Maturity			Total non-current
											Under 90 days	90 days to 1 year		1 to 3 years	3 to 5 years	Over 5 years	
76.065.596-1	Salmones Camanchaca S.A.	Chile	97.004.000-5	Banco de Chile	Chile	US\$	Semiannually and at maturity	2.80	2.80	% of assets	-	2,028	2,028	19,436	-	-	19,436
76.065.596-1	Salmones Camanchaca S.A.	Chile	97.006.000-6	Banco Crédito Inversiones	Chile	US\$	Semiannually and at maturity	2.76	2.76	% of assets	-	2,930	2,930	27,944	-	-	27,944
76.065.596-1	Salmones Camanchaca S.A.	Chile	97.030.000-7	Banco Estado	Chile	US\$	Semiannually and at maturity	2.79	2.79	% of assets	-	1,812	1,812	17,068	-	-	17,068
76.065.596-1	Salmones Camanchaca S.A.	Chile	97.036.000-4	Banco Santander	Chile	US\$	Semiannually and at maturity	2.60	2.60	% of assets	-	850	850	8,024	-	-	8,024
76.065.596-1	Salmones Camanchaca S.A.	Chile	97.949.000-3	Rabobank	Chile	US\$	Semiannually and at maturity	3.76	3.76	% of assets	-	1,657	1,657	15,452	-	-	15,452
76.065.596-1	Salmones Camanchaca S.A.	Chile	97.053.000-2	Banco Security	Chile	US\$	Semiannually and at maturity	3.02	3.02	% of assets	-	1,277	1,277	11,993	-	-	11,993
											-	10,554	10,554	99,917	-	-	99,917

Reconciliation of financial obligations for the statement of cash flows:

a) As of September 30, 2017

Other financial liabilities	Balance as of December 31, 2016 ThUS\$	Cash Flows			Accrual ThUS\$	Other ThUS\$	Balance as of September 30, 2017 ThUS\$
		Payments		Acquisitions ThUS\$			
		Capital ThUS\$	Interest ThUS\$				
Current							
Bank loans	10,554	-5,159	-1,773	-	2,711	5,092	11,425
Total other financial liabilities, current	10,554	-5,159	-1,773	-	2,711	5,092	11,425
Non-Current							
Bank loans	99,917	-	-	-	-	-5,092	94,825
Total other financial liabilities, non-current	99,917	-	-	-	-	-5,092	94,825
Total other financial liabilities	110,471	-5,159	-1,773	-	2,711	-	106,250

b) As of December 31, 2016

Other financial liabilities	Balance as of December 31, 2015 ThUS\$	Cash Flows			Accrual ThUS\$	Other ThUS\$	Balance as of December 31, 2016 ThUS\$
		Payments		Acquisitions ThUS\$			
		Capital ThUS\$	Interest ThUS\$				
Current							
Bank loans	10,815	-10,619	-3,367	-	3,497	10,228	10,554
Total other financial liabilities, current	10,815	-10,619	-3,367	-	3,497	10,228	10,554
Non-Current							
Bank loans	110,145	-	-	-	-	-10,228	99,917
Total other financial liabilities, non-current	110,145	-	-	-	-	-10,228	99,917
Total other financial liabilities	120,960	-10,619	-3,367	-	3,497	-	110,471

NOTE 18 - TRADE AND OTHER PAYABLES

Trade and other payables are as follows:

	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Trade payables	35,960	21,977
Notes payable	1,123	5,283
Retentions	746	568
Other	1,265	312
Total	39,094	28,140

Trade payables as of September 30, 2017 by suppliers are as follows.

- Suppliers with payments not overdue

Supplier	Amount by payment terms						Total MU\$	Average payment period (days)
	Under 30 days	31-60	61-90	91-120	121-365	Over 365		
Products	6,964	8,773	8,058	7,281	-	-	31,076	73
Services	459	3,388	316	14	-	-	4,177	44
Total	7,423	12,161	8,374	7,295	-	-	35,253	

- Suppliers with payments overdue

Supplier	Amount by overdue range in days						Total General ThUS\$
	Under 30 days	31-60	61-90	91-120	121-180	Over 180	
Products	246	1	-	-	60	53	360
Services	60	74	45	-	9	159	347
Total	306	75	45	-	69	212	707

Trade payables as of December 31, 2016 by suppliers are as follows.

- Suppliers with payments not overdue

Supplier	Amount by payment terms						Total ThUS\$	Average payment period (days)
	Under 30 days	31-60	61-90	91-120	121-365	Over 365		
Products	1,334	3,623	3,383	4,719	754	-	13,813	57
Services	2,494	4,507	-	-	-	-	7,001	42
Total	3,828	8,130	3,383	4,719	754	-	20,814	

- Suppliers with payments overdue

Supplier	Amount by overdue range in days						Total ThUS\$
	Under 30 days	31-60	61-90	91-120	121-180	Over 180	
Products	312	14	1	26	1	391	745
Services	116	35	63	147	9	48	418
Total	428	49	64	173	10	439	1,163

The Company has no confirming transactions.

NOTE 19 - EMPLOYEE BENEFIT PROVISIONS

The current portion of these provisions cover staff vacations as follows:

	Current	
	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Opening balance	681	892
Increase (decrease)	161	-211
Closing balance	842	681

The non-current portion of these provisions cover staff severance indemnities as follows:

	Non-Current	
	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Opening balance	136	125
Payments	-	-46
Increases	12	57
Closing balance	148	136

NOTE 20 – EQUITY

a) Capital

The Company's share capital is as follows.

Series	9/30/2017 Subscribed capital ThUS\$	12/31/2016 Paid capital ThUS\$
Single	73,422	34,843
Total	73,422	34,843

Common Shares	Total number of shares	
Balance as of September 30, 2017 and December 31, 2016	546,327	206,061

b) Dividend Policy

The Company has defined the following dividend policy, in accordance with its by-laws.

Financial statements shall be prepared as of December 31 each year.

Net income for the year will be distributed as follows.

a) No less than thirty percent to be distributed as a dividend in cash to shareholders, in proportion to their shares.

b) The balance to be used to form reserves, as agreed by an Annual General Shareholders' Meeting.

c) Dividend provision

The Company has not provided for any interim or final dividends as of September 30, 2017.

d) Other reserves

Other reserves are as follows.

	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Hedge reserves	-3	75
Conversion in other companies reserves	-296	-
Corporate reorganization reserves	23,715	-
Total	23,416	75

e) Retained earnings are as follows.

	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Opening balance	(16,672)	(43,838)
Adjustment for corporate income rate change (Circular 856)	-	-
Other comprehensive income	-	-
Net income for the period	26,867	27,166
Closing balance	10,195	(16,672)

NOTE 21 - EARNINGS PER SHARE

Earnings per share are as follows.

	9/30/2017	9/30/2016
Detail	ThUS\$	ThUS\$
Net income (loss) attributable to equity holders of parent company	26,867	20,678
Net income attributable to shareholders	26,867	20,678
Weighted average number of shares	546,327	206,061
Basic earnings per share (US\$/share)	49.1775	100.34893

Basic earnings per share takes the net income for the period and divides it by the number of single series shares.

The Company has not issued convertible debt or other equity securities. Consequently, there are no potentially diluting effects on earnings per share.

NOTE 22 - REVENUE

Revenue is as follows.

	For the nine months ended September 30,		For the three months ended September 30,	
	2017 ThUS\$	2016 ThUS\$	2017 ThUS\$	2016 ThUS\$
Fresh salmon sales	48,988	61,612	14,400	21,218
Frozen salmon sales	62,219	93,309	18,289	32,134
Services	4,415	3,322	1,298	1,144
Other products	9,198	1,946	2,703	670
Closing balance	124,820	160,189	36,690	55,166

NOTE 23 - ADMINISTRATIVE EXPENSES

Administrative expenses are as follows.

	For the nine months ended September 30,		For the three months ended September 30,	
	2017 ThUS\$	2016 ThUS\$	2017 ThUS\$	2016 ThUS\$
Corporate support services	3,589	2,862	1,620	954
Remuneration	2,576	1,869	210	606
Communications	281	135	44	64
Leases	327	424	58	140
Depreciation	117	95	27	31
Audit and consultancy	327	300	88	126
Travel and travelling allowances	126	138	35	41
Legal expenses	62	101	24	39
Overhead expenses	644	396	450	396
Other administrative expenses	264	351	125	-89
Closing balance	8,313	6,671	2,681	2,308

NOTE 24 - DISTRIBUTION COSTS

Distribution costs are as follows.

	For the nine months ended September 30,		For the three months ended September 30,	
	2017 ThUS\$	2016 ThUS\$	2017 ThUS\$	2016 ThUS\$
Distribution services	385	469	55	157
Remuneration	695	708	201	181
Storage costs	540	1,103	287	163
Fees	362	859	105	249
Haulage costs	314	661	56	181
Maritime freight	53	556	28	203
Shipment costs	152	287	39	87
Travel and Traveling allowances	33	53	13	21
Samples and analysis	22	71	1	27
Export certificates	51	85	3	48
Other expenses	476	420	130	50
Closing balance	3,083	5,272	918	1,367

NOTE 25 - FINANCE COSTS

Finance costs are as follows.

	For the nine months ended September 30,		For the three months ended September 30,	
	2017 ThUS\$	2016 ThUS\$	2017 ThUS\$	2016 ThUS\$
Financial interest	2,478	2,288	831	759
Commercial current account interest	167	224	29	72
Financial commissions	67	67	22	22
Other expenses	38	79	12	26
Closing balance	2,750	2,658	894	879

NOTE 26 – EXCHANGE DIFFERENCES

Exchange differences are as follows.

Item	Currency	9/30/2017 ThUS\$	9/30/2016 ThUS\$
Assets (charge) / credit			
Banks	CLP	179	-243
Banks	Euros	-1	34
Domestic customers	CLP	-29	37
Foreign customers	Euros	-43	134
Foreign customers	GBP	-	8
Miscellaneous receivables	CLP	-1	107
Miscellaneous receivables	UF	-	304
Recoverable taxes	CLP	-150	452
Prepaid expenses	CLP	-	24
Other	CLP	-200	-711
Total		-245	146
Liabilities (charge) / credit			
Trade payables	CLP	338	-950
Notes payable	CLP	-19	1
Notes payable	Euros	3	-1
Provisions and withholdings	CLP	43	41
Provisions and withholdings	UF	-	-5
Total		365	-914
Gain (loss) on foreign currency conversion			
		120	-768

NOTE 27 - OTHER INCOME (LOSSES)

Other income for the period is as follows.

	For the nine months ended September 30,		For the three months ended September 30,	
	2017 ThUS\$	2016 ThUS\$	2017 ThUS\$	2016 ThUS\$
Net gain on selling assets	12	-	1	-
Gain (loss) on insurance claims	-	-5,924	-	-
Costs of disposing of property, plant and equipment	-619	-	-404	-
Gain on investment sale	1,195	-	1,195	-
Other	9	15	1	6
Total	597	-5,909	793	6

The loss on insurance claims in 2016 mainly arose from the estimated loss as of September 30, 2016 not covered by insurance of US\$ 5.8 million associated with the Harmful Algal Blooms, partially offset by a gain of US\$ 1.6 million on the balance of the insurance claim associated with the eruption of Volcano Calbuco in 2015.

NOTE 28 - ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are as follows:

Item	Currency	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Current assets			
Cash and cash equivalents	USD	762	852
Cash and cash equivalents	CLP	433	626
Cash and cash equivalents	Euros	221	164
Other financial assets, current	CLP	30	2
Other non-financial assets, current	USD	1,065	4,868
Trade and other receivables, current	USD	10,738	23,949
Trade and other receivables, current	CLP	2,591	3,172
Trade and other receivables, current	Euros	-7	482
Trade and other receivables, current	UF	-	81
Related company receivables, current	USD	15,776	15,331
Related company receivables, current	CLP	284	216
Inventories	USD	25,594	23,344
Biological assets, current	USD	102,088	60,977
Tax assets, current	CLP	1,398	1,857
Total		160,973	135,921

Item	Currency	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Non-current assets			
Other financial assets, non-current	USD	27	27
Other non-financial assets, non-current	CLP	112	112
Rights receivable, non-current	USD	5,464	3,995
Equity method investments	USD	5,025	412
Intangible assets other than goodwill	USD	7,083	4,216
Property, plant and equipment	USD	71,029	69,005
Biological assets, non-current	USD	27,578	17,199
Total		116,318	94,966

Item	Currency	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Current liabilities			
Other financial liabilities, current	USD	11,425	10,554
Trade and other payables, current	USD	30,571	14,843
Trade and other payables, current	CLP	9,020	12,573
Trade and other payables, current	UF	0	143
Trade and other payables, current	Euro	-509	581
Trade and other payables, current	GBP	12	0
Related party payables, current	USD	33,635	31,975
Related party payables, current	CLP	-30,615	837
Tax liabilities, current	CLP	34	9
Employee benefits provision	CLP	842	681
Total		54,415	72,196

Item	Currency	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Non-current liabilities			
Other financial liabilities, non-current	USD	94,825	99,917
Trade and other payables, current	CLP	97	128
Related party payables, current	USD	9,663	35,392
Related party payables, current	CLP	-992	20
Related party payables, current	Euro	1,062	960
Deferred tax liabilities	USD	11,040	3,892
Employee benefit provisions, non-current	CLP	148	136
Total		115,843	140,445

NOTE 29 - GUARANTEES AND CONTINGENCIES

a) Bank loan conditions

The Parent Company and its subsidiary Salmones Camanchaca S.A. have provided guarantees to Banco de Chile and other participating banks upon signing a Financial Rescheduling and Commitment Contract on May 30, 2013, recorded in a public deed with the same date, including guarantees and cross-guarantees. The details are as follows.

- i. Mortgages on plots of land, including everything built on them: Ten in the Tome area, three in the Caldera area, three in the Coronel area, two in the Puerto Montt area, one in the Chonchi area, one in the Talcahuano area and one in the Iquique area.
- ii. Naval mortgages on fishing vessels.
- iii. Pledge
 - a. Non-possessory pledges over the fishmeal plant in Iquique, salmon processing plant in Tome, Calbuco, fish farm in Petrohue and mussel processing plant in Chiloé.
 - b. Compañía Pesquera Camanchaca S.A. has a pledge over all the shares of Salmones Camanchaca S.A., as owner of most of them, together with Inmobiliaria Camanchaca S.A. who owns one share.
 - c. Compañía Pesquera Camanchaca S.A. has a pledge over 8,049,900 shares in Camanchaca Pesca Sur S.A., together with Camanchaca SpA., who owns 100 shares, which sum to a 70% interest.
 - d. Non-possessory pledge over its tradable class A fishing licenses, attached to the vessels ships mortgaged to the banks.
 - e. Salmones Camanchaca S.A. mortgaged to the Banks all the aquaculture concessions that it owns for salmon and trout.
 - f. Fiordo Blanco S.A. mortgaged to the Banks all the aquaculture concessions that it owns for salmon and trout.

According to the terms of the Financial Rescheduling and Commitment Contract signed on May 30, 2013, the Parent Company agrees to comply with the obligations normally included in such contracts, and keep its financial borrowing ratio or leverage under 1.3 times, based on its annual consolidated financial statements.

Compañía Pesquera Camanchaca S.A. and Salmones Camanchaca S.A. became guarantors and joint and several guarantors to all the banks participating in the "Financial Rescheduling and Commitment Contract" signed on May 30, 2013, in order to guarantee the fulfilment of all the obligations for both companies and between them.

b) Direct guarantees

Guarantee creditor	Debtor		Assets involved Guarantee	Property	Book value ThUS\$	Debt value ThUS\$
	Name	Ratio				
Banco Chile	Salmones Camanchaca S.A.	Commercial	Property mortgage	Tome real estate	4,659	105,248
Banco Chile	Salmones Camanchaca S.A.	Commercial	Property mortgage	Puerto Varas real estate	2,215	
Banco Chile	Salmones Camanchaca S.A.	Commercial	Property mortgage	Calbuco real estate	214	
Banco Chile	Salmones Camanchaca S.A.	Commercial	Property mortgage	Salmon vessels	302	
Banco Chile	Salmones Camanchaca S.A.	Commercial	Pledge	Machinery and equipment	9,741	
Banco Chile	Salmones Camanchaca S.A.	Commercial	Pledge	Buildings and construction	13,200	

c) Indirect guarantees

Guarantee creditor	Debtor		Assets involved Guarantee	Property	Book value ThUS\$	Debt value ThUS\$
	Name	Relationship				
Banco Chile	Camanchaca S.A.	Commercial	Property mortgage	Iquique real estate	1,640	67,285
Banco Chile	Camanchaca S.A.	Commercial	Property mortgage	Caldera real estate	7,017	-
Banco Chile	Camanchaca S.A.	Commercial	Property mortgage	Tome real estate	1,412	-
Banco Chile	Camanchaca S.A.	Commercial	Property mortgage	Vessels in Iquique	10,954	-
Banco Chile	Camanchaca S.A.	Commercial	Pledge	Machinery and equipment	11,429	-
Banco Chile	Camanchaca Pesca Sur S.A.	Commercial	Property mortgage	Coronel real estate	11,607	-
Banco Chile	Camanchaca Pesca Sur S.A.	Commercial	Property mortgage	Tome real estate	1,964	-
Banco Chile	Camanchaca Pesca Sur S.A.	Commercial	Property mortgage	Vessels in Coronel	30,174	-
Banco Chile	Camanchaca Pesca Sur S.A.	Commercial	Property mortgage	Maritime artifacts in Coronel	520	-
Banco Chile	Camanchaca Cultivos Sur S.A.	Commercial	Property mortgage	Chonchi/Chiloé real estate	6,948	-
Banco Chile	Camanchaca Cultivos Sur S.A.	Commercial	Pledge	Machinery and Equipment	3,380	-

d) Contingencies

The Company regularly evaluates the likelihood of loss on its litigation and contingencies, in accordance with estimates provided by its legal advisers. Detailed information relating to these processes is available, provided it does not compromise the Company's defense. Salmones Camanchaca S.A. has litigation or administrative proceedings before the Courts of Justice or administrative bodies at the reporting date. Therefore, it has created the following provisions as of September 30, 2017.

Proceedings	Number of cases	Accounting provision ThUS\$
Civil	5	45
Administrative	1	135
Total	6	180

NOTE 30 - SANCTIONS

The Company, its Directors and Managers have not been subject to sanctions of any kind by the Superintendent of Securities and Insurance or other administrative authorities as of the date these interim financial statements were issued.

NOTE 31 – ENVIRONMENT

Salmones Camanchaca S.A. continuously renews its commitment to the environment, by implementing new processes and technologies at its production plants. This has enabled it to achieve a sustainable business, and to further cultivate species in an efficient manner, while minimizing its impact on the environment.

The Company invested in the following projects associated with environmental mitigation during the period January 1 to September 30, 2017.

	9/30/2017 Investment ThUS\$
Project	
Waste management	354
Environmental services	209
Total	563

The Company invested in the following projects associated with environmental mitigation during the period January 1 to September 30, 2016.

	9/30/2016 Investment ThUS\$
Project	
Waste management	258
Environmental services	178
Total	436

The Company is committed to complying with all environmental regulations. In particular, it will continue to actively participate in discussions regarding projects that involve amendments and improvements to environmental and health regulations, to ensure that these can be implemented from a technical, financial, social and environmental perspective. It is dedicated to supporting the best proposal for the environment and developing the industry.

NOTE 32 - SUBSEQUENT EVENTS

An extraordinary shareholders meeting for Salmones Camanchaca S.A. was held on November 6, 2017. The minutes were legalized in a public deed with the same date at the Santiago Notary of Mr. Felix Jara Cadot and an extract was recorded in the Santiago Trade Register on November 8, 2017 on page 83,700 at number 45,024 for 2017. It was published in the Official Journal on November 9, 2017. The following resolutions were approved at this extraordinary shareholders' meeting:

To increase the number of shares in the company from 546,327 shares to 56,818,008 shares. This increase will take place by replacing each share currently held with 104 new shares.

Furthermore, to increase the share capital from US\$ 73,422,406.08 divided into 56,818,008 equal single series shares with no par value, to US\$ 91,786,390.08 divided into 66,000,000 equal single series shares with no par value, by issuing 9,181,992 shares with no par value, at a price of US\$ 2 per share.

At the same meeting, all the current shareholders renounced their preferential subscription rights. Therefore, the Board shall offer these shares to third parties at a price that it determines using the services of Larraín Vial S.A. Corredora de Bolsa. The price and placement shall be determined by an Auction on the Santiago Stock Exchange and regulated by its Share Operations Manual.

Reissue of interim financial statements

On January 3, 2018, the Norwegian Food Safety Authority (NFSA), communicated to the Company an observation of the interim financial statements. This observation refers to the change in the wording of note 2 related to the improvement of disclosures required by the standard on which the interim financial statements are prepared, without substantially affecting the information contained in the interim financial statements originally presented, considered as a whole.

Consequently, in this new version of the interim financial statements the initial paragraph of Note 2.2 has been modified.

NOTE 33 - OTHER INFORMATION

The number of employees by category at the reporting date is as follows.

Company	Laborers	Professionals and Technicians	Senior Executives	Total 9/30/2017
Salmones Camanchaca S.A.	1,062	274	11	1,347
Total	1,062	274	11	1,347

Company	Laborers	Professionals and Technicians	Senior Executives	Total 9/30/2016
Salmones Camanchaca S.A.	875	249	15	1,139
Total	875	249	15	1,139

APPENDIX D:
APPLICATION FORM FOR THE RETAIL OFFERING

APPLICATION FORM FOR THE RETAIL OFFERING

General information: The terms and conditions for the Retail Offering are set out in the prospectus dated 24 January 2018 (the "Prospectus"), which has been issued by Salmoenes Camanchaca S.A. (the "Company") in connection with the offer of unsubscribed and unpaid Shares (as defined in the Prospectus) issued by the Company and the secondary sale of existing shares in the Company by the Selling Shareholder (as defined in the Prospectus), and the listing of the Company's Shares on the Oslo Stock Exchange. All capitalised terms not defined herein shall have the meaning assigned to them in the Prospectus.

Application procedure: Applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number are recommended to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.dnb.no/emisjon, www.paretosec.com and www.nordea.no/sc. Applications in the Retail Offering can also be made by using this Retail Application Form (see definition in Section 19.4 "The Retail Offering" of the Prospectus), attached as Appendix D to the Prospectus. Retail Application Forms must be correctly completed and submitted by the applicable deadline to one of the following application offices:

DNB Markets, Registrars Department Dronning Eufemias gate 30 P.O. Box 1600 Sentrum N-0021 Oslo Norway Tel: +47 23 26 81 01 E-mail: retail@dnb.no www.dnb.no/emisjon	Pareto Securities Dronning Mauds gate 3 P.O. Box 1411 Vikå N-0115 Oslo Norway Tel: +47 22 87 87 00 E-mail: subscription@paretosec.com www.paretosec.com	Nordea Essendropsgate 7 P.O. Box 1166 Sentrum N-0107 Oslo Norway Tel: +47 24 01 34 62 E-mail: nis@nordea.com www.nordea.no/sc
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The applicant is responsible for the correctness of the information filled in on this Retail Application Form. Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after expiry of the Application Period, and any application that may be unlawful, may be disregarded without further notice to the applicant. Subject to any shortening or extension of the Application Period, applications made through the VPS online application system must be duly registered by 10:30 hours (CET) on 1 February 2018, while applications made on Retail Application Forms must be received by one of the application offices by the same time. None of the Company or any of the Managers may be held responsible for postal delays, unavailable fax lines, Internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any of the application offices. All applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

Price of Offer Shares: The indicative price range (the "Indicative Price Range") for the Offering is from NOK 35.50 to NOK 48.00 per Offer Share. The Company will, in consultation with the Managers, determine the number of Offer Shares and the final Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the applications received in the Retail Offering. The Offer Price will be determined on or about 1 February 2018. The Offer Price may be set within, below or above the Indicative Price Range and the number of Offer Shares allocated may be below 21,780,000 Offer Shares. Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the Retail Application Form that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range. If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range.

Allocation, payment and delivery of Offer Shares: In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant. All allocations will be rounded down to the nearest whole number of Offer Shares and the payable amount will be adjusted accordingly. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. DNB, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 2 February 2018, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it, may contact one of the application offices listed above on or about 2 February 2018 during business hours. Applicants who have access to investor services through an institution that operates the applicant's VPS account should be able to see how many Offer Shares they have been allocated from on or about 2 February 2018. In registering an application through the VPS online application system or completing a Retail Application Form, each applicant in the Retail Offering will authorise DNB (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Retail Application Form. Accounts will be debited on or about 5 February 2018 (the "Payment Date"), and there must be sufficient funds in the stated bank account from and including 2 February 2018. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date (expected to be 5 February 2018). Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 2 February 2018, or can be obtained by contacting DNB at +47 23 26 81 01. DNB (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 13 February 2018 if there are insufficient funds on the account on the Payment Date. Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue and other terms will apply as set out under the heading "Overdue and missing payment" below. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 6 February 2018.

Guidelines for the applicant: Please refer to the second page of this Retail Application Form for further application guidelines.

Applicant's VPS-account (12 digits):	I/we apply for Offer Shares for a total of NOK (minimum NOK 10,500 and maximum NOK 1,999,999)	Applicant's bank account to be debited (11 digits):
OFFER PRICE: My/our application is conditional upon the final Offer Price not being set above the upper end of the Indicative Price Range (insert cross) (must only be completed if the application is conditional upon the final Offer Price not being set above the upper end of the Indicative Price Range):		
I/we hereby irrevocably (i) apply for the number of Offer Shares allocated to me/us, at the Offer Price, up to the aggregate application amount as specified above subject to the terms and conditions set out in this Retail Application Form and in the Prospectus, (ii) authorise and instruct each of the Managers (or someone appointed by any of them) acting jointly or severally to take all actions required to purchase and/or subscribe the Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Retail Application Form, and to ensure delivery of such Offer Shares to me/us in the VPS, on my/our behalf, (iii) authorise DNB to debit my/our bank account as set out in this Retail Application Form for the amount payable for the Offer Shares allotted to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are eligible to apply for and purchase Offer Shares under the terms set forth therein.		
Date and place*:	Binding signature**:	

* Must be dated during the Application Period.

** The applicant must be of legal age. If the Retail Application Form is signed by a proxy, documentary evidence of authority to sign must be attached in the form of a Power of Attorney or Company Registration Certificate.

DETAILS OF THE APPLICANT – ALL FIELDS MUST BE COMPLETED	
First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Zip code and town
Identity number (11 digits) / business registration number (9 digits)	Nationality
Telephone number (daytime)	E-mail address

GUIDELINES FOR THE APPLICANT

THIS RETAIL APPLICATION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, SWITZERLAND, CANADA, HONG KONG, SINGAPORE OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "EEA") pursuant to the Markets and Financial Instruments Directive ("MIFID") implemented in the Norwegian Securities Trading Act, imposes requirements in relation to business investment. In this respect, the Managers must categorise all new clients in one of three categories: Eligible counterparties, Professional clients and Non-professional clients. All applicants applying for Offer Shares in the Offering who/which are not existing clients of one of the Managers will be categorised as Non-professional clients. The applicant can by written request to the Managers ask to be categorised as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act and ancillary regulations. For further information about the categorisation, the applicant may contact one of the Managers. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company. The Offer Shares will not qualify for Norwegian share saving accounts (Nw: aksjesparekonto) held by Norwegian Personal Shareholders since the Company is resident outside the EEA for tax purposes, and it is not possible to apply for Offer Shares through such account or the VPS account associated with it.

Execution only: As the Managers are not in the position to determine whether the application for Offer Shares is suitable for the applicant, the Managers will treat the application as an execution only instruction from the applicant to apply for Offer Shares in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The applicant acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Managers there is a duty of secrecy between the different units of the Managers as well as between the Managers and the other entities in the Managers' respective groups. This may entail that other employees of the Managers or the Managers' respective groups may have information that may be relevant to the subscriber, but which the Managers will not have access to in their capacity as Managers for the Retail Offering.

Information barriers: The Managers are securities firms offering a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Managers' analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS account and anti-money laundering procedures: The Retail Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulation of 13 March 2009 no. 302 (collectively, the "Anti-Money Laundering Legislation"). Applicants who are not registered as existing customers of one of the Managers must verify their identity to one of the Managers in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form are exempted, unless verification of identity is requested by a Manager. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period will not be allocated Offer Shares. Participation in the Retail Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Retail Application Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance.

Selling restrictions: The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 20 "Selling and Transfer Restrictions" in the Prospectus. Neither the Company nor the Selling Shareholder assume any responsibility in the event there is a violation by any person of such restrictions. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. In the Retail Offering, the Offer Shares are being offered and sold to certain persons outside the United States in offshore transactions within the meaning of and in compliance with Rule 903 of Regulation S under the U.S. Securities Act.

The Company has not authorised any offer to the public of its securities in any Member State of the EEA other than Norway. With respect to each Member State of the EEA other than Norway which has implemented the EU Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Relevant Member State. Any offers outside Norway will only be made in circumstances where there is no obligation to produce a prospectus.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply.

1. The service "Payment by direct debiting - securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "Payment by direct debiting - securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
4. In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Financial Contracts Act, the payer's bank shall assist if payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
5. The payer cannot authorise for payment a higher amount than the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited to the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of the Prospectus is 8.50% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allocate or, from the third day after the Payment Date, otherwise dispose of or assume ownership to the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt delivery of the New Shares, the Managers are expected to subscribe and pay for the New Shares allocated in the Offering at a total subscription price equal to the Offer Price multiplied by the aggregate number of New Shares and to sell such New Shares onwards to the applicants at the Offer Price.



Salmenes Camanchaca S.A.
Avenida El Golf N° 99, 10th floor, Las Condes
7550125 Santiago
Chile

Global Coordinator and Joint Bookrunner

DNB Markets
Dronning Eufemias gate 30
N-0191 Oslo
Norway

Joint Bookrunner

Nordea
Essendrops gate 7
N-0107 Oslo
Norway

Joint Bookrunner

Pareto Securities
Dronning Mauds gate 3
N-0115 Oslo
Norway

Joint Bookrunner

LarrainVial
El Bosque Norte N° 0177, Piso 4
Las Condes, 7550100 Santiago
Chile

Legal Advisers to the Company

Advokatfirmaet Thommessen AS
Haakon VII's gate 10
N-0161 Oslo
Norway

Portaluppi Guzmán & Bezanilla
Avenida El Golf 150, Piso 18, Las Condes
7550107 Santiago
Chile